FIU | Office of Internal Audit
FLORIDA INTERNATIONAL UNIVERSITY

M E M O R A N D U M

Date: June 8, 2022

To: Chairman and Members of the Audit and Compliance Committee

From: Trevor L. Williams, Chief Audit Executive

Subject: **Internal Audit Plan for Fiscal Year 2023**

I am pleased to present FIU's Office of Internal Audit (OIA) proposed audit plan for fiscal year 2023 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 focuses on the imminent risks to the University's operations. We realize that many University operations will again be in transition during the first three months of the plan as the University reverts to pre-pandemic conditions. This year's plan factors into its development the corollary of the transition and the recruitment challenges of finding appropriately qualified candidates to fill open positions.

Risk Assessment:

In developing this year's audit plan, we completed a University-wide risk assessment by requesting business and instructional unit leaders to indicate and rate the top 10 to 15 risks that could impact their fulfilling the missions and goals of the units for which they have oversight. They were instructed to consider relevant risk factors, including operational, safety, financial, regulatory, and reputational risks. Additionally, we provided the tool for capturing and reporting their assessment.

Upon receipt of the risk assessments, we analyzed the stated risks, related controls, and rating. As a part of our analysis, we considered additional factors, including materiality, regulatory requirements, area of special concern, inherent risk, and past audit coverage to inform the extent of our concurrence with the indicated rating. Our analysis also

benefited from personal discussions with selected senior staff members. The process also involved us considering the 2022-2026 Five-year Audit Plan that was reviewed by the Board of Trustees last year. Through this collective effect, we adjusted the risk ratings and areas of audit focus for relevance and timing, as needed.

On the following page, we have mapped the individual risks reported to us in the Risk Assessment Heat Map, showing the number of risks evaluated and their relative placement.

FLORIDA INTERNATIONAL UNIVERSITY

THE OFFICE OF INTERNAL AUDIT UNIVERSITY RISK ASSESSMENT HEAT MAP

IMPACT			Remote	Less than likely	Likely	Very likely
	Lasting damage to reputation, operations & funding.	Severe	14	23	14	12
	Disrupts operations over months; up to $1M at risk.	Significant	28	64	54	16
	Short-term negative effects/press; up to $250K at risk.	Moderate	29	85	32	14
	Minor regulatory or reputational effects; < $25K at risk.	Negligible	36	20	5	2
			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

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). At the same time, we acknowledge that some risks identified might not be sought for auditing, but rather simply need mitigating actions. Management might find it useful to utilize the list of risks to identify those specific risks for strategic planning purposes. Furthermore, those risks that are not subject to audit could be monitored by the Office of University Compliance and Integrity.
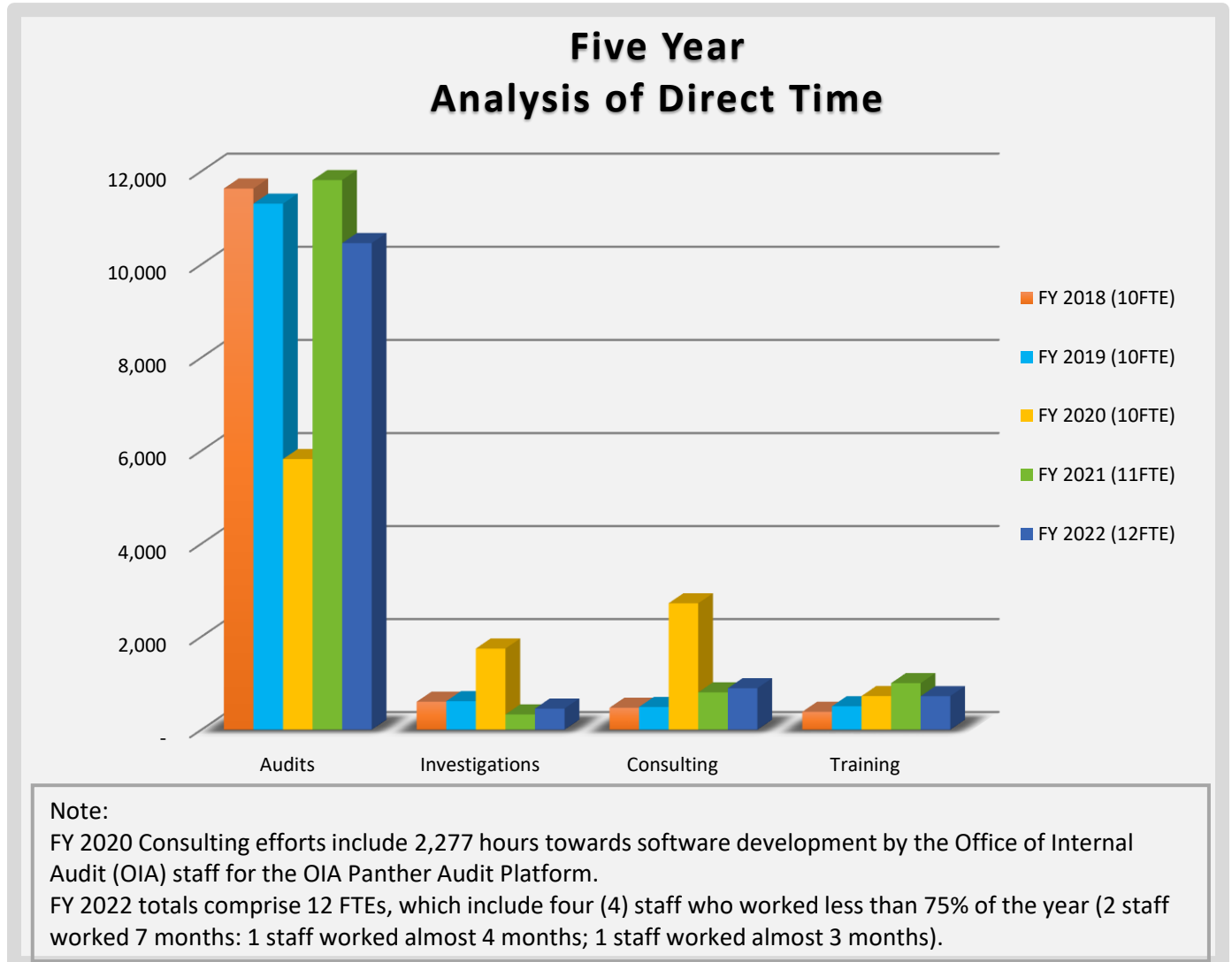
Attached to this memo is a combined Risk Assessment/Five-Year Audit Plan.

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 composition of our Office currently includes 10 certified professional auditor positions (eight of which are filled), an administrative services coordinator, and one student intern. We will continue the recruitment process in our aim to have a full complement of qualified, professional staff as soon as possible.

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

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

Five Year Analysis of Direct Time

Legend:
- FY 2018 (10FTE)
- FY 2019 (10FTE)
- FY 2020 (10FTE)
- FY 2021 (11FTE)
- FY 2022 (12FTE)

Categories: Audits, Investigations, Consulting, Training

Note:
FY 2020 Consulting efforts include 2,277 hours towards software development by the Office of Internal Audit (OIA) staff for the OIA Panther Audit Platform.
FY 2022 totals comprise 12 FTEs, which include four (4) staff who worked less than 75% of the year (2 staff worked 7 months: 1 staff worked almost 4 months; 1 staff worked almost 3 months).

Despite our established audit plan, at times our workload is difficult to predict as investigations and other unplanned work affect our progress towards the completion of planned audit projects. During the last fiscal year, we fell short of executing the audit plan and have six carryover audits into FY2023. Disruptions due to turnover and an employee being on family medical leave, as well as the emergence of an unplanned attestation project delayed execution of the approved audits. Although we anticipate two additional audit staff members being on extended leave during FY2023, we will make every effort to execute the approved audit plan.

Audit Plan:

The number of audits planned for the 2022-2023 fiscal year is based on the current resources and estimated direct audit person-hours available. We will adjust the plan accordingly as changes to these drivers occur. The following table outlines our proposed audit plan for FY 2023:

Carryover Audits:	
College of Public Health & Social Work Operational Controls ●	
Information Technology Cybersecurity Prevention and Detection Controls ●	
Information Technology Data Breach of Protected Information ●	
Research & Development Research Training and Policy Compliance ●	
University-wide Export Controls ●	
University-wide Student Safety – Hazing Prevention ●	

Proposed New Audits:	
Unit/Department	**Area of Focus**
Analysis and Information Management	Performance Based Funding Metrics Data Integrity ●
Athletics	NCAA Football Attendance Certification ●
College of Arts, Science, & Education	Operational, Financial, & Information Technology Controls ●
Enrollment Services	Motor Vehicle Internal Control & Data Integrity ●
Parking & Transportation	Motor Vehicle Internal Control & Data Integrity ●
Plant Operations & Maintenance	Facilities Inspection & Deferred Maintenance ●
University-wide	Follow-up of Prior Audit Recommendations ●
Targeted	Continuous Auditing

Conclusion:

The risk-based approach used in establishing the baseline risk assessment and re-evaluating the rating of certain risks connected to University activities and programs incorporated the input from University Management. This enabled our collective knowledge to identify potential areas for audit and to develop the proposed audits for the 2023 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 pages.

No.	Operational Unit/Area	General Subject Matter	Risk Index	Past Audit Coverage				Planned Audit Coverage				
				Prior	2020	2021	2022	2023	2024	2025	2026	2027
1.	Academic Affairs	Student Health Center	(2/4)	x					✓			
2.	Academic Affairs	Applied Research Center	(3/3)							✓		
3.	Academic Affairs	Food Network South Beach Wine & Food Festival	(2/4)	x				✓				
4.	Academic Affairs	COVID-19 Related Student Fee Refund – (3/2)	[3/1]			x		✓				
5.	Analysis & Information Management	Performance Based Funding Metrics Data Integrity	(2/2)	x	x	x	x	✓	✓	✓	✓	✓
6.	Athletics	Major NCAA Violations	2/3							✓		
7.	Athletics	Title IX Violations	3/2							✓		
8.	Athletics	Health Services Billing & Coding Process – (2/4)	[1/1]			x						
9.	Athletics	NCAA Football Attendance Certification	(2/3)	x	x			✓	✓	✓	✓	✓
10.	Capital Construction	Project Administration & Funding	(2/4)	x				✓				
11.	College of Arts, Science, & Education	Operational/Financial Information Technology & Controls	(2/3)	x				✓				
12.	College of Business (Chapman)	Operational and Financial Controls	4/4	x						✓		
13.	College of Medicine	Affiliated Agreements For Student Placement & Rotation	3/4	x			x					✓
14.	College of Medicine	Human Subject Research Controls	4/4	x					✓			
15.	College of Nursing and Health Sciences	Auxiliary Funded Programs Operations	(3/2)		x					✓		
16.	College of Public Health & Social Work	Operational/Financial & Information Technology Controls	(3/2)					✓				
17.	Enrollment Services	Motor Vehicle Internal Controls & Data Integrity (4/1)	[3/1]	x	x			✓			✓	
18.	Environmental Health & Safety	Lab Safety	3/4	x		x					✓	
19.	Environmental Health & Safety	Hazardous Wastes & Materials Management	2/4	x		x					✓	
20.	Environmental Health & Safety	Regulatory & Code Compliance	2/3	x		x					✓	
21.	External Relations, Communications, & Marketing	Comprehensive/Coordinated Content Driven Solutions	4/3						✓			
22.	External Relations, Communications, & Marketing	Brand Alignment and Affinity Management and Digital/Web Communication Standards Compliance	4/4						✓			
23.	Financial Management	Purchasing & Competitive Bidding Process	2/3	x	x	x					✓	
24.	Financial Management	Treasury Management - (1/2)	[3/4]		x							✓
25.	FIU Foundation	Donor Intent/Confidentiality - 2/3	[2/2]	x		x					✓	
26.	Housing & Residential Life	Student Housing	4/2	x						✓		
27.	Human Resources	New Employee Document Verification Process - 4/3	[3/2]			x					✓	
28.	Human Resources	Payroll	(4/3)	x					✓			
29.	Human Resources	Overpayment of Terminated Employees	(3/2)	x					✓			
30.	Information Technology	Data Breach of Protected Information	3/4	x				✓				✓
31.	Information Technology	IT Physical Controls	3/3	x							✓	
32.	Information Technology	Panther Tech	(3/3)									✓
33.	Information Technology	Data Loss Prevention Controls	(3/2)	x	x				✓			
34.	Information Technology	Cybersecurity Prevention and Detection Controls	(4/3)					✓				✓
35.	Information Technology	Vendor Management	(3/3)	x						✓		
36.	Information Technology	Physician Assistant Program – IT Controls	(3/2)						✓			
37.	Information Technology	Media Sanitation Guidelines & Controls	(3/3)			x					✓	
38.	Instruction & Academic Support	Grading Integrity Management	4/3						✓			
39.	Parking & Transportation	Motor Vehicle Internal Controls & Data Integrity - (4/1)	[3/2]	x		x		✓				
40.	Plant Operations & Maintenance	Motor Pool (University Fleet Management)	(4/2)	x		x						✓
41.	Plant Operations & Maintenance	Access Controls – Secure Locations	3/3	x			x					✓
42.	Plant Operations & Maintenance	Facilities Inspections & Deferred Maintenance	3/3	x				✓				
43.	Plant Operations & Maintenance	Construction Accident Reporting	2/4						✓			
44.	Plant Operations & Maintenance	Student Safety – Safety Athletic & Recreational Facilities	2/3	x					✓			
45.	Police Department	Jeanne Clery Act Compliance	(2/4)	x							✓	
46.	Research & Development	Research Training & Policy Compliance	3/3	x				✓				✓
47.	Research & Development	Biohazards Response Management	2/3	x							✓	
48.	Research & Development	Foreign Influence Regulatory Compliance	2/4						✓	✓	✓	✓
49.	Research & Development	Information Technology Controls	(3/4)						✓			
50.	Research & Development and College of Medicine	Plagiarism & Research Misconduct Management & Controls	3/3						✓			
51.	Student Affairs	Children's Creative Learning Center	(3/3)	x						✓		
52.	University-wide	Accounts Receivable Process	(3/2)		x						✓	
53.	University-wide	Conflict of Interest & Related Party Transactions	3/3	x			x			✓		
54.	University-wide	Export Controls	4/4					✓				✓
55.	University-wide	Payroll Irregularities and Fraud Controls – 3/3	[3/2]			x						✓
56.	University-wide	Grant Accounting - Auxiliary & Foundation Funded – 4/4	[3/2]			x					✓	
57.	University-wide	FERPA Compliance	3/3	x			x					✓
58.	University-wide	COVID-19 Financial Assistance Compliance – 3/4	[3/2]			x			✓			
59.	University-wide	Natural Disaster Preparedness & Response	3/4						✓			
60.	University-wide	Use of Student Fees	2/3	x								✓
61.	University-wide	Grant Expenditure Controls	2/3	x							✓	
62.	University-wide	General Data Protection Regulation Controls	(3/4)						✓			
63.	University-wide	Background Check – Volunteers & Third Parties	(4/3)	x					✓			

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Florida International University Office of Internal Audit **Risk-Based Five-Year Audit Plan**												
64.	University-wide	Student Safety – Hazing Prevention – (3/4)	[2/3]					✓				
65.	University-wide	Admissions Policy Compliance	(3/4)				x					✓
66.	University-wide	Follow-up on Prior Audit Recommendations	(4/1)	x	x	x	x	✓	✓	✓	✓	✓
67.	Targeted	Continuous Auditing	N/A					✓	✓	✓	✓	✓

Note: The Risk Index represents the coordinates of the X and Y axes as plotted on the Risk Assessment Heat Map. Parenthetic Risk Index is assigned by OIA to specific audit project identified through analyses other than the risk assessment survey tool. Bracketed Risk Index represents the adjusted risk rating for the general subject matter. Where such an adjustment is made, the initial Risk Index appears in the title line of the general subject matter. See Attachment 1 for a crosswalk between the planned audits and the higher rated risks.