



Office of Internal Audit Status Report



BOARD OF TRUSTEES

December 8, 2021



Office of Internal Audit

Date: December 8, 2021
To: Board of Trustees Audit and Compliance Committee Members
From: Trevor L. 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 September 14, 2021, we have completed the following projects:

Projects Completed

Audit of Laboratory Safety

We have completed an audit of Laboratory Safety for the period July 1, 2019, through December 31, 2020, and have assessed current practices through May 31, 2021. The University's Department of Environmental Health and Safety is responsible for managing lab safety and ensuring compliance with laboratory standards, through training, inspections, and other support.

In summary, we concluded that the University has established robust policies and procedures and effective governance and oversight practices to enforce regulatory compliance over lab safety. However, we have identified gaps in the operations of laboratories—some having a more direct impact on safety, others being operational in nature—that must be addressed. Specifically, the process for managing lab safety inspections could be more efficient, notification and correction of lab deficiencies could be timelier, lab personnel need to ensure all required refresher safety training are current, and controls are needed to ensure controlled substances and other hazardous materials are not improperly purchased with departmental credit cards. In addition, improvements are needed for managing access to labs, whereby such access is timely removed for terminated lab employees once no longer required.

Audit of Healthcare Affiliated Agreements for Student Placement/Rotation

We have completed an audit of Affiliated Healthcare Agreements for Student Rotation and Placement for the period July 1, 2018, through June 30, 2020, and have assessed current practices through June 30, 2021. The Herbert Wertheim College of Medicine (HWCOM) and the Nicole Wertheim College of Nursing and Health Sciences (NWCNHS) both utilize affiliated agreements to afford students the education, training, and clinical experience required by their curricula.

In summary, we concluded that the HWCOM and NWCNHS have appropriate internal controls for some areas of their operations for managing affiliated agreements. The Colleges have established processes in place for the execution of affiliated agreements and student placement in those facilities. Combined, the Colleges have an extensive number of active affiliated agreements, almost 1,200, of which, they utilized approximately 55% (632) during the period audited. HWCOM contract utilization rate was 80% and NWCNHS's was 49%. Additionally, HWCOM appeared to have good controls over the timely and accurate payment for the services provided through the affiliated agreements. NWCNHS agreements are not fee-for-service agreements, as prohibited by Florida Statutes.

Additionally, based on the limited testing we performed, students appeared to be satisfied with their program experience. Of note, the Association of American Medical Colleges' voluntarily end-of-program survey completed by HWCOM students returned an average overall satisfaction rating of 89.6% over the five-year period between 2017 and 2021, with annual ratings ranging from 83.1% to 97%.

Notwithstanding the foregoing, in part, we offered the following recommendations to improve the management of executed affiliated healthcare agreements and general operations: (1) review all contracts that are auto renewed and transition them to contracts with a set term; (2) update the affiliated agreements to include insurance coverage and an indemnification clause and ensure the General Counsel review all contracts for legal sufficiency; (3) consider implementing a universal contract management system; (4) improve controls over use of the Volunteer & Employee Criminal History System by removing access of a former employee and another employee whose duties no longer require access and prohibit employees from sharing user credentials; (5) consider developing an effective quality control review process for validating the background screening results; and (6) ensure appropriate supporting documentation of students' completion of prerequisite requirements are maintained and that all employees complete the Outside Activity/Conflict of Interest Form as required annually and make certain the forms are reviewed and approved by the employees' supervisors.

Work in Progress

The following ongoing audits are in various stages of completion:

<u>Ongoing Audits</u>	
Audits	Status
IT Controls Over Procurement Services	Drafting Report
Conflict of Interest and Related Party Transactions	Drafting Report
Admissions Policy Compliance	Fieldwork in Progress
Cybersecurity Prevention and Detection Controls - Ransomware	Fieldwork in Progress
Performance Based Funding Metrics Data Integrity 2021	Fieldwork in Progress
FERPA Compliance	Planning

Investigation and Consulting Activities

The Office of Internal Audit receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse. We have evaluated the complaints received and are currently investigating those deemed appropriate for our office to investigate and have referred the others to other appropriate units within the University for investigations. Substantiated allegations that are deemed to be significant and credible will be reported to the University President and Board of Trustees. We have no such results to report currently.

Our office continues to provide support, in collaboration with the Office of the General Counsel and the Office of Compliance and Integrity, with the development of University's Fraud Protection and Detection Regulation.

Professional Development

Mrs. Natalie San Martin, who has been a professional staff member with the OIA for approximately four years, was selected to fill the previously vacant Audit Manager position, through a competitive process. Prior to the selection, Mrs. San Martin served as an Audit Project Manager in the office.

Our staff members continue to take advantage of professional development opportunities that are available to them, including completing courses in applying data analytics in every audit, using Power Business Intelligence, auditing for fraud and forensic accounting, auditing construction contracts, and cybersecurity awareness.

Other Matters

Currently, there are two vacancies in the Office of Internal Audit – one Senior Auditor and one Audit Project Manager. Recruitment for both positions is ongoing. We endeavor to fill these positions with qualified candidates at the earliest date that time and circumstances permit.