



## Office of Internal Audit Status Report



**Board of Trustees**

**June 16, 2022**



# Office of Internal Audit

**Date:** June 16, 2022  
**To:** Board of Trustees Audit and Compliance Committee Members  
**From:** Trevor L. Williams, Chief Audit Executive  
**Subject:** OFFICE OF INTERNAL AUDIT STATUS REPORT

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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 March 3, 2022, we have completed the following projects:

## Projects Completed

### Audit of Conflict of Interest and Related Party Transactions

We have completed an audit of Conflict of Interest and Related Party Transactions for the period July 1, 2020, through June 30, 2021, and have assessed the current practices through February 1, 2022.

In December 2020, the University launched a new Outside Activity/Conflict of Interest system to assist with reporting, reviewing, and approving disclosed outside activities. During the audit, we reviewed the Outside Activity/Conflict of Interest disclosure process to ensure compliance with federal, state, and University requirements and to ensure that processes were effective at identifying and managing potential conflicts.

In summary, we concluded that the newly implemented Outside Activity/Conflict of Interest reporting system is robust and when compared to the previous system, provides more effective workflows and tracking of disclosed activities. For the fiscal year tested, 96% of 5,784 employees who were subject to report, timely submitted Outside Activity/Conflict of Interest Forms. Notwithstanding this high rate of reporting, we have identified areas for enhancement to the Outside Activity/Conflict of Interest disclosure process that could contribute to its effectiveness. We offered 19 recommendations to address the issues

identified during the audit. Management has agreed to implement all recommendations offered.

### **Audit of FERPA Compliance**

We have completed an audit of the Family Educational Rights and Privacy Act (FERPA) Compliance for the period August 1, 2020, through July 31, 2021, and have assessed the current practices through March 2022.

FERPA is a federal law that protects the privacy of student education records. During the audit we reviewed University policies and procedures to ensure compliance with federal, state, and University requirements and to ensure that processes were effective at identifying and managing potential violations. In summary, we concluded that the University generally complies with the federal statute. However, we identified areas for process improvement that could enhance the University's demonstrated general compliance with the FERPA regulation. We offered five recommendations to address the issues identified during the audit. Management has agreed to implement all recommendations offered.

### **Agreed-Upon Procedures for the European Union-financed Grant Agreement Concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number - 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the Period Covering September 1, 2018, to August 31, 2021 (Revised)**

At the request of the University's Office of Research and Economic Development, we have completed an agreed-upon procedures engagement for the European Union-financed Grant Agreement concerning the Jean Monnet Centre of Excellence Erasmus+ Programme, Grant Agreement Number - 2018-1707/001-001 for Project No. 600080-EPP-1-2018-1-US-EPPJMO-CoE for the period covering September 1, 2018, to August 31, 2021. This attestation engagement was performed for the purpose of providing an independent certification and report of factual findings with regards to the Final Financial Report covering the period September 1, 2018, to August 31, 2021, and to assist The Education, Audiovisual and Cultural Executive Agency with independently verifying the cost claimed by the University under the Grant Agreement as reported in the Final Financial Report. Previously, the University contracted with an external, independent certified public accounting firm to perform the engagement.

We were pleased to provide this service for the benefit of the Office of Research and Economic Development and issued our independent internal auditor's agree-upon procedures report for the purposes stipulated in the related grant agreement.

## Work in Progress

The following ongoing audits are in various stages of completion:

<u>Ongoing Audits</u>	
Audits	Status
Admissions Policy Compliance	Draft Report
Cybersecurity Prevention and Detection Controls - Ransomware	Fieldwork in Progress
Export Controls and Selected Foreign Influence Compliance	Fieldwork in Progress
Student Safety - Hazing Prevention	Fieldwork in Progress
Public Health and Social Work Operational Controls	Planning
Driver and Vehicle Information Database - Enrollment Services	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 have been reported to the University President and Board of Trustees.

## Other Activities

The Board of Governor Regulation 4.002, *State University System Chief Audit Executives*, requires the chief audit executive to develop audit plans based on the results of periodic risk assessments and submit the plans to the board of trustees for approval. The Chief Audit Executive has developed the risk-based Five-year Audit Plan. In developing the plan, we consulted with stakeholders across the University to ensure relevant risks were considered. The Plan aims to provide audit coverage in areas with higher risks and to utilize audit resources efficiently.

The Chief Audit Executive has made significant updates to the Office of Internal Audit Professional Practice Guide (Operating Manual), which was last updated in 2014. The updates codify many of the changes to the office's workflows and practices into the Operating Manual. The revised Operating Manual is pending final review before its distribution.

In collaboration with the Office of the General Counsel and the Office of Compliance and Integrity, we have provided support with the revision of the University's Fraud Protection and Detection Regulation FIU-117.

### **Professional Development**

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. Three staff members took the North Dade/South Dade Broward Ethics: Protecting the Integrity of Florida CPA's virtual workshop.

### **Other Matters**

Through a competitive process, Mr. Brian Del Pino joins the OIA as a Senior Auditor on March 22, 2022. Regrettably, effective April 14, 2022, one of the office's two Audit Manager positions became vacant with the resignation of Ms. Tranae Rey.

Currently, there are two vacancies in the Office of Internal Audit – one Audit Manager and one Audit Manager – Information Technology. We endeavor to fill these positions with qualified candidates at the earliest date that time and circumstances permit.