

FIU

**Office of
Internal Audit**

FLORIDA INTERNATIONAL UNIVERSITY

Office of Internal Audit Status Report



BOARD OF TRUSTEES


February 23, 2023



Office of Internal Audit

Date: February 23, 2023

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 December 6, 2022.

Projects Completed

Audit of Performance Based Funding and Emerging Preeminent Metrics Data Integrity

This is an annual audit that we performed to determine whether the processes established by the University ensure the completeness, accuracy, and timeliness of data submissions to the State University System of Florida Board of Governors (BOG) that support the Performance Based Funding and Emerging Preeminent Metrics. For the fiscal year 2022-2023, FIU received the third highest score of 91 points and received approximately \$67 million in performance-based funding. The Office of Analysis and Information Management (AIM) is responsible for data collection and submission for Performance Based Funding and Emerging Preeminent Metrics purposes.

The audit concluded that the University continues to have good process controls for maintaining and reporting performance metrics data. In our opinion, the system, in all material respects, continues to function in a reliable manner. Nevertheless, although having no material adverse impact on the calculation of the metrics tested, we identified three specific areas for enhancing the controls over the process. Specifically, verification of course and waiver exemption codes is needed to ensure they are accurately reported; steps are

needed to ensure that all fee waivers granted for the applicable calculation period are reported to the BOG; an effective protocol for reviewing user account access to identify conflicting access should be developed, and procedures to ensure that audit log of all auditable fields are enabled and monitored are warranted.

The Chair of the Board of Trustees and the University President must certify the integrity of the performance based funding and emerging preeminent data, and they use this audit as a basis for that certification.

Work in Progress

The following ongoing audits are in various stages of completion:

<u>Ongoing Audits</u>	
Audits	Status
Robert Stempel College of Public Health and Social Work	Drafting Report
CASE Operational, Financial, and IT Controls	Fieldwork in Progress
Facilities Deferred Maintenance and Inspections	Fieldwork in Progress
Data Breach of Protected Information	Planning
Food Network Channel South Beach Wine and Food Festival	Planning
Continuous Auditing of Selected Processes	Ongoing

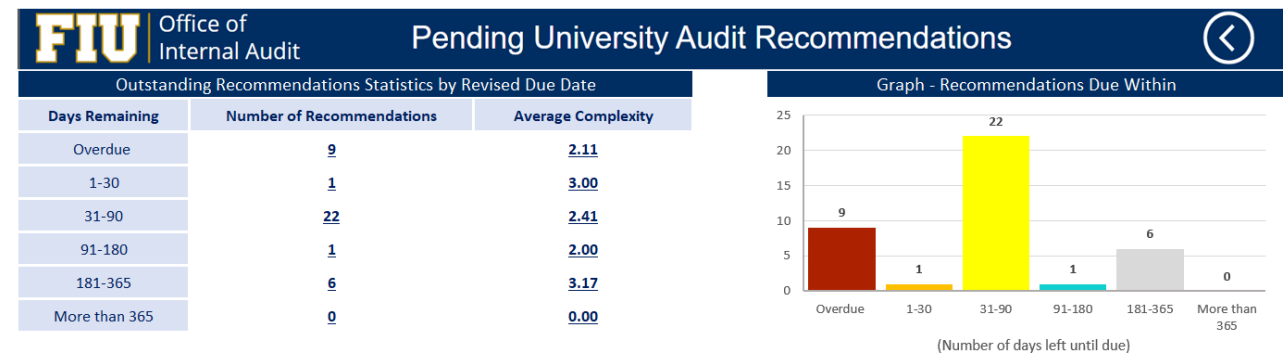
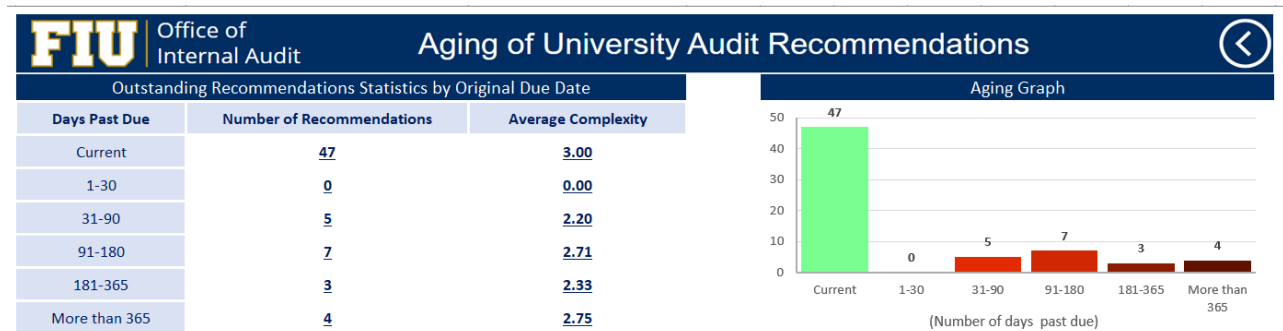
Prior Audit Recommendations Follow-Up Status Report

Since June 1, 2020, University management has been able to utilize the OIA Panther Audit Platform to update and report the status of prior audit recommendations. Upon receiving the submission from management on the Platform, OIA staff performed a substantive examination of the accompanying documentation or revised process to validate the status of the recommendation as reported by management. The outcome from our auditing efforts leads to either acceptance or re-characterization of the reported status.

Since our last report to the Committee on management’s progress towards completing past audit recommendations, there were 48 recommendations due for implementation through December 31, 2022. Based on the work performed, we have concluded that 30 of said recommendations (62 percent) were completed, 10 (21 percent) were partially implemented,

and 8 (17 percent) were not implemented by their expected due date. Management has provided expected completion dates for all recommendations that were not completed. (See table and revised plans of action to complete the outstanding recommendations along with due dates on the following pages.) We thank management for their cooperation and encourage continued improvement.

The following graphs display an aging of outstanding audit recommendations as of December 31, 2022, as reflected in the Platform, indicating the number of days delayed for those recommendations past due and the number of days remaining before due for implementation for recommendations with a revised due date.



AUDIT RECOMMENDATIONS FOLLOW-UP 8/1/2022-12/31/2022

Areas Audited	Total Due for Implementation	Implemented	Partially Implemented	Not Implemented
Export Control and Selected Foreign Influence Compliance	6	6		
FERPA Compliance	2	2		
Healthcare Affiliated Agreements for Student Placement/Rotation	2	2		
Performance Based Funding and Emerging Preeminent Metrics Data Integrity - 2022	3	3		
Review of Expense Report	1	1		
Review of Financial Internal Controls for University Support Organizations	5	5		
Admissions Policy Compliance	3	2		1
Conflict of Interest and Related Party Transactions	7		4	3
Cybersecurity Prevention & Detection Controls - Ransomware	9	3	4	2
Media Sanitization Guidelines and Controls	2	1	1	
Student Safety- Hazing Prevention	8	5	1	2
Totals	48	30	10	8
Percentages	100%	62%	21%	17%

MANAGEMENT RESPONSES TO OUTSTANDING AUDIT RECOMMENDATIONS WITH REVISED TARGET DATES

Admissions Policy Compliance (June 23, 2022)

1. Audit Issue: **EDI Manual Overrides** (Recommendation #4.1)

Recommendation:

Develop a quality control process to review each override change to EDI data for accuracy, proper documentation of rationale, and support for the change.

Action Plan to Complete:

Pending UTS assistance for this project. Once they have completed the CommonApp project, they will assist with implementing this fix. On January 5, 2023, we conferred with ASDS, who will begin implementing fix as the CommonApp project slows down and is now near completion.

Original Target Date: September 1, 2022

New Target Date: February 1, 2023

Conflict of Interest and Related Party Transactions (March 7, 2022)

1. Audit Issue: **Potential Undisclosed Outside Activities** (Recommendation #1.1)

Recommendation:

Human Resources should contact the 153 identified employees, understand why they did not disclose, and request they disclose any confirmed outside activities and evaluate if permissible.

Action Plan to Complete:

Human Resources has begun to contact the 153 identified employees to determine why they did not disclose and request they disclose any confirmed outside activities if the activity requires disclosure.

Original Target Date: September 1, 2022

New Target Date: January 23, 2023¹

¹ The recommendation was subsequently implemented as of January 23, 2023.

2. Audit Issue: **Potential Undisclosed Outside Activities** (Recommendation #1.2)

Recommendation:

Use lessons learned from recommendation 1.1 to develop scenario-based training material and incorporate them into the conflict-of-interest training made available to employees.

Action Plan to Complete:

Based on the information gathered in 1.1, we will determine how to improve the instructions, questions and/or system.

Original Target Date: September 1, 2022

New Target Date: March 31, 2023

3. Audit Issue: **Annual Disclosure Submissions** (Recommendation #2.1)

Recommendation:

Human Resources should follow up with the 235 employees who did not complete Outside Activity/Conflict of Interest Forms, understand why they did not disclose, and request that they disclose.

Action Plan to Complete:

Human Resources will contact the active employees who did not report and follow the established escalation process.

Original Target Date: September 1, 2022

New Target Date: January 23, 2023²

4. Audit Issue: **Employees Engaged in Denied Activities** (Recommendation #3.1)

Recommendation:

Human Resources should understand why employees did not properly disclose, evaluate the individual cases, and determine the appropriate steps to take for employees engaging in outside activities prior to approval or in denied activities.

Action Plan to Complete:

The OA/COI Committee reviewed the identified cases of employees engaging in activities prior to approval and also the denied activities. The denied activities have been discussed and forwarded to both Employee Labor Relations (ELR) for non-faculty and to Faculty Advisory Board (FAB) for faculty for additional review. Any additional action(s) required will come from the respective areas. In many of the cases, the denied activity needed additional clarification from the employee in order for the unit to feel comfortable approving the outside activity. Based on the committee's

² The recommendation was subsequently implemented as of January 23, 2023.

review, additional information was provided in the majority of the cases. Once it was resubmitted, it was approved.

Original Target Date: May 24, 2022

New Target Date: March 31, 2023

5. Audit Issue: **Related Party Transactions** (Recommendation #5.1)

Recommendation:

Procurement Services should implement a mechanism to detect related party transactions.

Action Plan to Complete:

Procurement Services has requested that the following conflict of interest questions that was provided by Vilma Mesa from OGC be added during Supplier onboarding in PeopleSoft:

Vendor confirms that Vendor is familiar and complies with all applicable conflict of interest legal requirements including Florida's Code of Ethics for Public Officers, Chapter 112, Part III, Florida Statutes (the "Code of Ethics"). All vendors must disclose the name of any FIU officer or employee who is employed by Vendor (Section 112.313(7), Florida Statutes) or owns, directly or indirectly a material interest in the Vendor's company or any of its branches (Section 112.313 (3), Florida Statutes). Therefore, Vendor hereby certifies that neither Vendor nor its employees, officers or owners have, or any of the aforementioned has a relative that has a relationship with FIU, that will result in a violation of the Code of Ethics, including, but not limited to Sections 112.313(3) and (7), Florida Statutes and Section 112.3185(6), Florida Statutes, by reason of the Vendor entering into the agreement with FIU. Vendor declares it has not and will not provide gifts or hospitality of any dollar value or any other gratuities to any FIU employee to obtain or maintain an agreement with FIU. Vendor agrees that it shall disclose any conflict of interest by submitting information to vendors@fiu.edu prior to entering into an agreement with FIU and/or immediately upon learning of such conflict of interest.

The PantherSoft Team has completed the requested changes in PeopleSoft. FSSS will test and let Procurement Service know when the changes are live in Supplier onboarding. Due to upgrades in PeopleSoft, it may not be live until May 31, 2023.

Every quarter Procurement Services will conduct a random sample of 10 suppliers and manually verify them against the addresses of active employees. The next report will be published early January 2023, for transactions in the 2nd quarter (Oct-Dec) of FY22-23. We have not been able to create a query that will look for related party transactions because that will require comparing the address field of suppliers with the address fields of employee. Text fields cannot be compared via simple query

because "123 Street", "123 STREET" and "123 St." are all different. Supplier and employee addresses will need to be standardized for it to work, which is not the case for older suppliers in the system.

We are meeting with HR to develop a long-term solution. One recommendation is for HR to include in the annual outside activity/conflict of interest form some language asking employees if their outside activity is with FIU, own directly or indirectly a material interest in a company registered as a supplier with FIU or has a relative who owns a company or is an officer of a company registered with FIU. If an employee informs HR of such conflict, then HR will reach out to Procurement Services, and we will check if any transaction exists for the said company.

Original Target Date: December 31, 2022

New Target Date: March 31, 2023

6. Audit Issue: **Disclosure of Supplier Conflicts of Interest** (Recommendation #6.1)

Recommendation:

Procurement Services should establish a mechanism that directly asks all suppliers during onboarding if potential conflicts with University employees or board members exist.

Action Plan to Complete:

Procurement Services has requested that the following conflict of interest questions that was provided by Vilma Mesa from OGC be added during Supplier onboarding in PeopleSoft:

Vendor confirms that Vendor is familiar and complies with all applicable conflict of interest legal requirements including Florida's Code of Ethics for Public Officers, Chapter 112, Part III, Florida Statutes (the "Code of Ethics"). All vendors must disclose the name of any FIU officer or employee who is employed by Vendor (Section 112.313(7), Florida Statutes) or owns, directly or indirectly a material interest in the Vendor's company or any of its branches (Section 112.313 (3), Florida Statutes). Therefore, Vendor hereby certifies that neither Vendor nor its employees, officers or owners have, or any of the aforementioned has a relative that has a relationship with FIU, that will result in a violation of the Code of Ethics, including, but not limited to Sections 112.313(3) and (7), Florida Statutes and Section 112.3185(6), Florida Statutes, by reason of the Vendor entering into the agreement with FIU. Vendor declares it has not and will not provide gifts or hospitality of any dollar value or any other gratuities to any FIU employee to obtain or maintain an agreement with FIU. Vendor agrees that it shall disclose any conflict of interest by submitting information to vendors@fiu.edu prior to entering into an agreement with FIU and/or immediately upon learning of such conflict of interest.

The PantherSoft Team has completed the requested changes in PeopleSoft. FSSS will test and let Procurement Service know when the changes are live in Supplier onboarding. Due to upgrades in PeopleSoft, it may not be live until March 31, 2023.

Original Target Date: December 31, 2022

New Target Date: March 31, 2023

7. Audit Issue: **Disclosure of Supplier Conflicts of Interest** (Recommendation #6.2)

Recommendation:

Procurement Services should provide guidance to all applicable areas (i.e., Academic Affairs, Human Resources, General Counsel) on where the disclosed conflicts are documented and what their responsibility is regarding reviewing conflicts.

Action Plan to Complete:

Vilma Mesa from OGC is scheduling a meeting with current approvers of conflict-of-interest compliance questions in TCM to provide necessary training, along with their supervisors. It is the responsibility of the Department Head who assigns approvers in TCM to identify the subject matter expert in the workflow approval for TCM's conflict of interest questions. Serge Menyonga will provide Vilma with a list of approvers in TCM. The information shared with the current approvers will be incorporated into the TCM training material that is currently being updated.

Original Target Date: August 31, 2022

New Target Date: March 31, 2023

**Cybersecurity Prevention and Detection Controls - Ransomware
(November 15, 2022)**

1. Audit Issue: **Identify - Asset Management** (Recommendation #1.1)

Recommendation:

Consider adopting the University's JAMF for the tracking of software installed on MAC devices.

Action Plan to Complete:

FIU Online has met with the Division of IT and has been provided access to JAMF. We are pending best practices, guidelines, and training documentation from the Division of IT to ensure we are implementing JAMF following the university's security standards and guidelines. We would like to request to update this due date to be May 1, 2023, with a complexity of 4, as our department needs additional guidance from the Division of IT.

Original Target Date: December 31, 2022

New Target Date: May 1, 2023

2. Audit Issue: **Protect – Identity Management and Access Control** (Recommendation #2.2)

Recommendation:

Implement a process to ensure that access to FIU systems is timely disabled for individuals who terminated employment with the University.

Action Plan to Complete:

FIU Online has updated their termination process to include a new step to confirm AD access is removed at the account level by central HR upon termination.

Original Target Date: December 31, 2022

New Target Date: March 31, 2023

3. Audit Issue: **Protect – Identity Management and Access Control** (Recommendation #2.3)

Recommendation:

Reevaluate the practice of automatically granting local administrative access to Mac users.

Action Plan to Complete:

At this time the university does not have a university-wide solution for single sign-on to Mac computers using AD or CAS. FIU Online has discussed with Division of IT, and the Division of IT plans to test and implement a solution by April 30, 2023. We would like to request an update to this due date to June 30, 2023, with a complexity of 4, as our department needs time after the Division of IT rollout to then implement for FIU Online specifically.

Original Target Date: December 31, 2022

New Target Date: June 30, 2023

4. Audit Issue: **Protect – Identity Management and Access Control** (Recommendation #2.5)

Recommendation:

Review local administrator accounts and revoke accounts not requiring local administrator privileges.

Action Plan to Complete:

I would like to request an expected full completion date by January 31, 2023. The winter recess disrupted this implementation through the month of December.

Original Target Date: December 31, 2022

New Target Date: February 1, 2023

5. Audit Issue: Awareness Training – Ransomware Criteria and Application
(Recommendation #2.11)

Recommendation:

Ensure that department personnel comply with the annual Cybersecurity Awareness Training requirement established in University policy and link the employee's compliance to their job performance and system access as stipulated in policy.

Action Plan to Complete:

FIU Online has implemented a new internal process to review completion data and follow-up with employees to ensure the completion of the Cybersecurity training. We are "partially implemented" with a 97.66% completion rate, with the majority of pending being Persons of Interest accounts that are not FIU hired employees. We would like to request an update to this due date to March 1, 2023, as our department needs additional time to work with Division of IT on a process that caters to one particular set of Persons of Interest, that are tied to the State Quality Course mandate.

Original Target Date: December 31, 2022

New Target Date: March 1, 2023

6. Audit Issue: Detect – Anomalies and Events (Recommendation #3.1)

Recommendation:

Work on a process to provide metrics of the impact of detected events.

Action Plan to Complete:

This has been and continues to be an ongoing effort. With new technologies, attack vectors, vulnerabilities, etc., we evaluate what type of metrics and reporting is available for us to use. Our goal is to add more metrics and advanced metrics. We have had reports from McAfee and Tenable for several years now. In December 2020 we started the Root Cause Analysis Committee (RCA) to gather information and document IT outages and incidents impacting the University. RCA meets once a month.

Original Target Date: December 5, 2022

New Target Date: March 31, 2023

Media Sanitization Guidelines and Controls (June 30, 2021)

1. Audit Issue: **Sanitization Governance - Data Classification** (Recommendation #1.3)

Recommendation:

Finalize and communicate an organization-wide data classification policy, while aligning Media Sanitation Guidelines with current practices.

Action Plan to Complete:

The policy is being reviewed by stakeholders for feedback.

Original Target Date: September 30, 2021

New Target Date: March 31, 2023

Student Safety - Hazing Prevention (October 19, 2022)

1. Audit Issue: **Anti-Hazing Website** (Recommendation #5.2)

Recommendation:

Review the website and ensure the information presented is accurate and consistent with the Florida Statute, BOG Regulation, and FIU's Regulation and procedures.

Action Plan to Complete:

Based on audit findings and examples from other SUS institutions, SHW Marketing is working on all recommendations to improve antihazing.fiu.edu.

Original Target Date: November 1, 2022

New Target Date: January 11, 2023³

2. Audit Issue: **Incident Reporting Processes and Procedures** (Recommendation #7.1)

Recommendation:

Regularly communicate with management to ensure all suspected conduct violations are reported to SCAI for investigation.

³ The recommendation was subsequently implemented as of January 11, 2023.

Action Plan to Complete:

All reporting deadlines for BOG have been met for this year. The only pending action thus far is the annual notification from President, Provost, and SVP of HR.

Original Target Date: November 1, 2022

New Target Date: February 3, 2023

3. Audit Issue: Incident Investigation and Adjudication Processes and Procedures
(Recommendation #8.3)

Recommendation:

Complete follow-up discussions and meetings with FIU departments and student organizations and groups.

Action Plan to Complete:

This is connected to recommendation 1.5 and 1.6. During SCAI's weekly triage, a portion of the meeting will be devoted to verifying administrative actions for cases that have been completed. Additionally, staff members will be encouraged to block a two-hour time period each week for case management, including working to ensure follow-up with campus partners. SCAI is also actively working to fill vacancies, which will also help to address the timeliness of case management.

Original Target Date: November 1, 2022

New Target Date: March 3, 2023

Investigation and Consulting Activities

The Office of Internal Audit receives complaints of alleged wrongdoing, including suspected fraud, waste, and abuse. Since our last quarterly report to the Audit and Compliance Committee, we have received one such complaint and have initiated an evaluation of the significance and credibility of said complaint. The results of this evaluation will determine our course of action.

Our office continues to provide support to other university units through the OIA staff's participation in workgroups and advising on process improvement efforts.

Other Matters

Mr. Henley Louis-Pierre, who has been a professional staff member with the OIA for over three years as a Senior Information Systems Auditor, was selected to fill the Senior Information Systems Auditor II position, through a competitive process. Also, Ms. Stephanie

Price, who has been a professional staff member with the OIA for six years as an Audit Project Manager, was selected to fill the Audit Manager position. This leaves the number of vacancies in the office at two—a Senior Information Systems Auditor and Audit Project Manager.