



BOARD *of* GOVERNORS

State University System of Florida

Audit Committees Workshop

March 18, 2015

www.flbog.edu



AUDIT AND COMPLIANCE COMMITTEE TWO-YEAR PLAN

1. Charter Documents

- AACC Charter
- OIGC Charter

2. PBF – Data Integrity

- Audits
- Certifications
- Corrective Action Plans

3. System Synergy

- BOT and BOG Collaboration/Teamwork
- Workshop



WORKSHOP GOALS

- Synergy (Teamwork & Collaboration)
- Alignment (OIGC/CAE/BOT/BOG)
- Educate and Inform
- Debate Issues
- Identify Strengths
- Identify Opportunities
- Return on Investment



WORKSHOP AGENDA TOPICS

Background:

- Governance
- Pulse of the Profession

Discussion Topics:

1. Compliance and Ethics
2. OIGC Roles, Powers and Duties
3. Complaints Against Chief Audit Executives and Staff
4. Audit Coverage, Follow-up, and Escalation
5. Risk Assessment
6. Risk Management
7. Offices of the Chief Audit Executive
8. Fraud
9. Hotlines
10. Whistle-blower's Act
11. Quality Assurance (Time Permitting)
12. Shared Services (Time Permitting)



GOVERNANCE

Governance is the combination of processes and structures implemented by the board to inform, direct, manage, and monitor the activities of the organization toward the achievement of its objectives.

Governance in the public sector:

- Accountability
- Transparency
- Integrity
- Standards Setting
- Ethics
- Risk Management



FLORIDA HIGHER EDUCATION GOVERNANCE



Board of Governors

- Constitutional
- 12 State Universities



- Strategic Plan
- Information Systems
- Articulation
- STEM Plan



State Board of Education

- Statutory
- K-12
- 28 Colleges



Independent Colleges and Universities of Florida

- 31 Institutions



STATE UNIVERSITY SYSTEM OF FLORIDA GOVERNANCE STRUCTURE



Board of Governors – Operate, Regulate, and Control



Audit and Compliance Committee
Chancellor
Inspector General



Board of Trustees - Administer

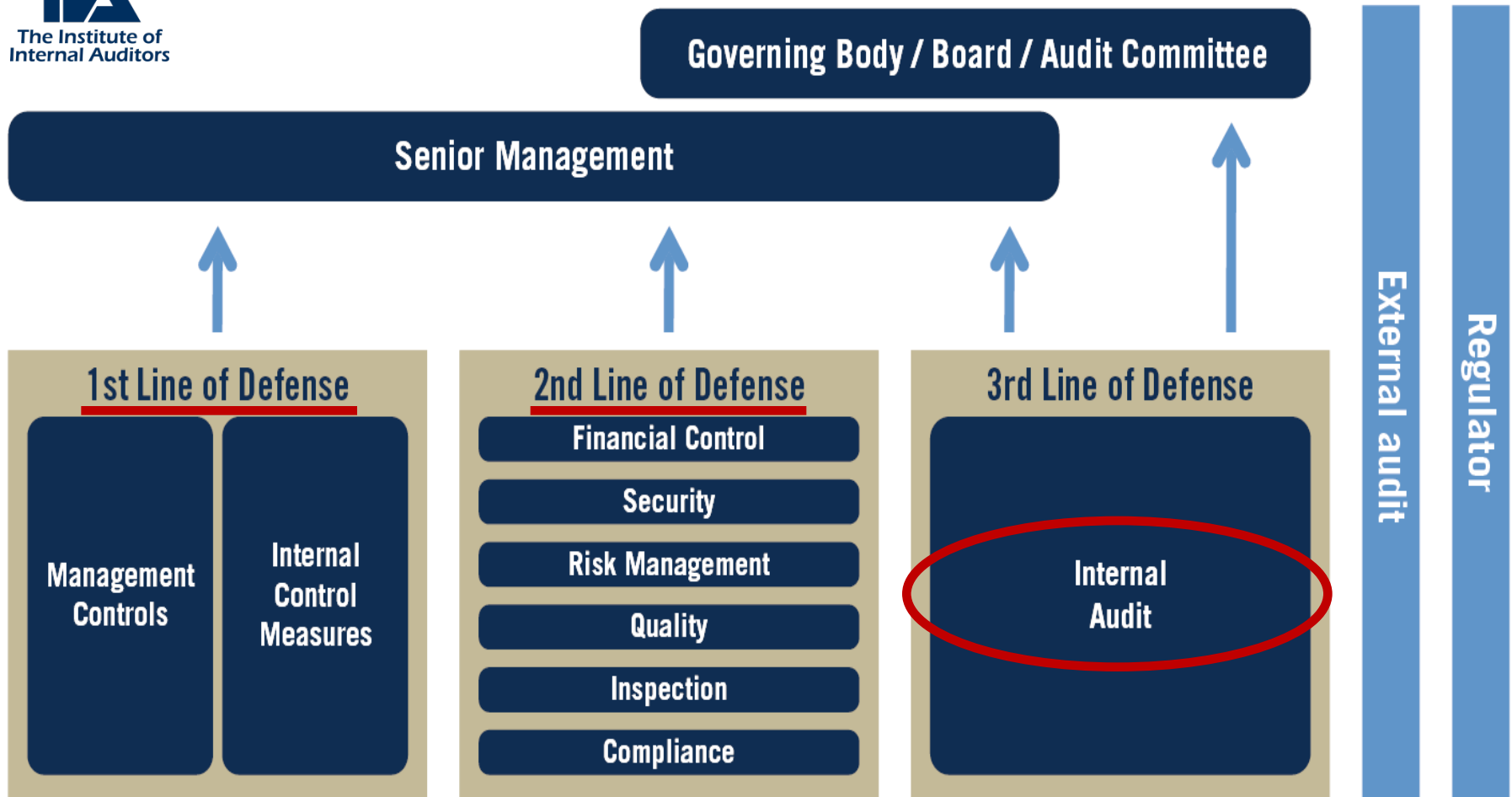
Audit Committee
President
Chief Audit Executive

Legislature
Joint Legislative Audit Committee
Auditor General/OPPAGA





THE THREE LINES OF DEFENSE MODEL





EXPECTATIONS – CHIEF AUDIT EXECUTIVE

Statement of Principles for Offices of Inspector General

The public expects inspectors general to:

- Hold government officials accountable for efficient, cost-effective government operations
- Prevent, detect, identify, expose and eliminate fraud, waste, corruption, illegal acts and abuse.

This public expectation is best served by inspectors general when they follow the basic principles:

Integrity
Objectivity
Independence
Confidentiality
Professionalism
Competence
Courage

Trust
Honesty
Fairness
Forthrightness
Public accountability
Respect for others and themselves





DEFINITION: INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.





PULSE OF THE PROFESSION

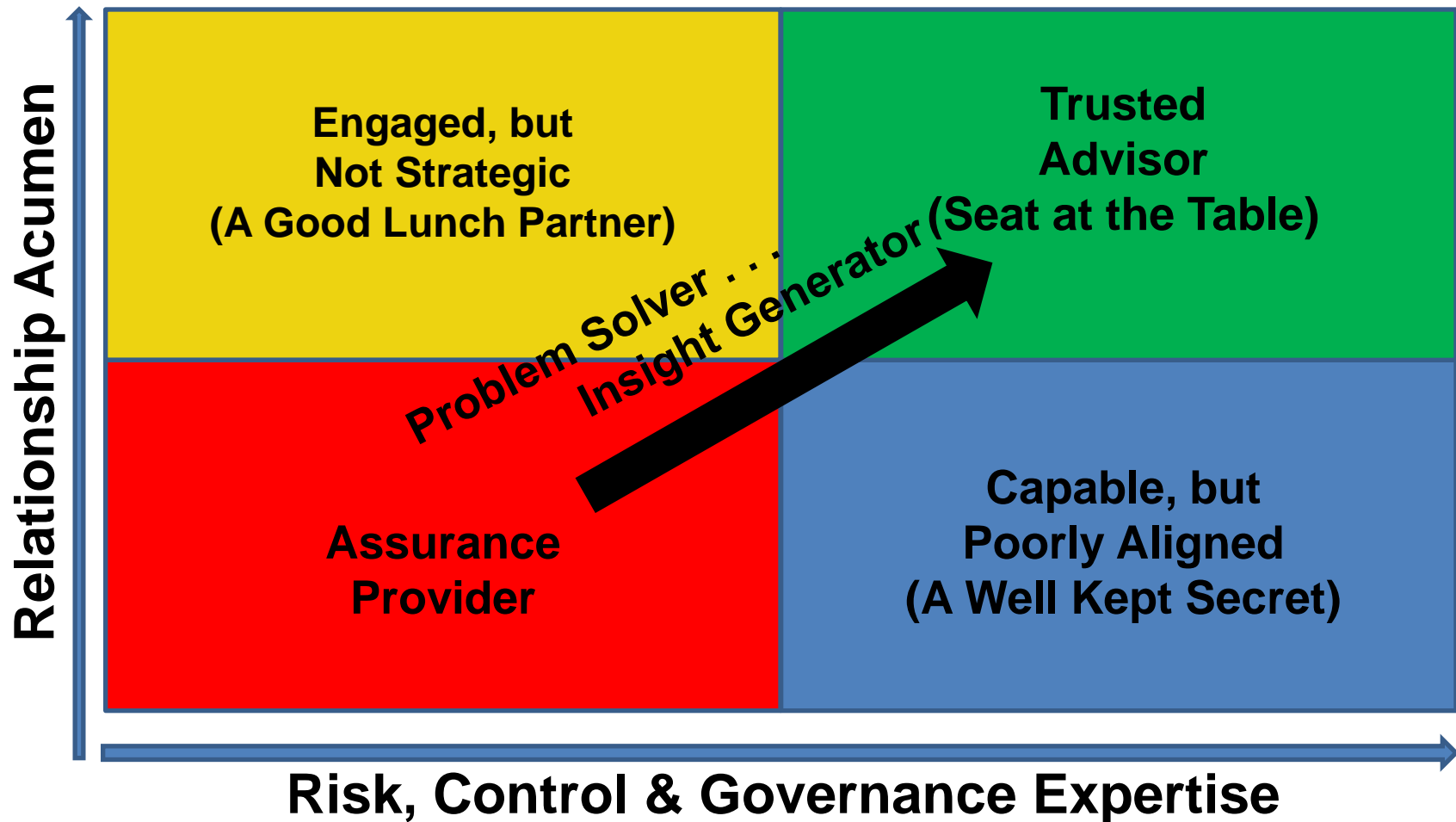


Results suggest that alignment of stakeholder expectations, and matching skills and capabilities to these expectations, helps internal audit enhance the value delivered to the organization.



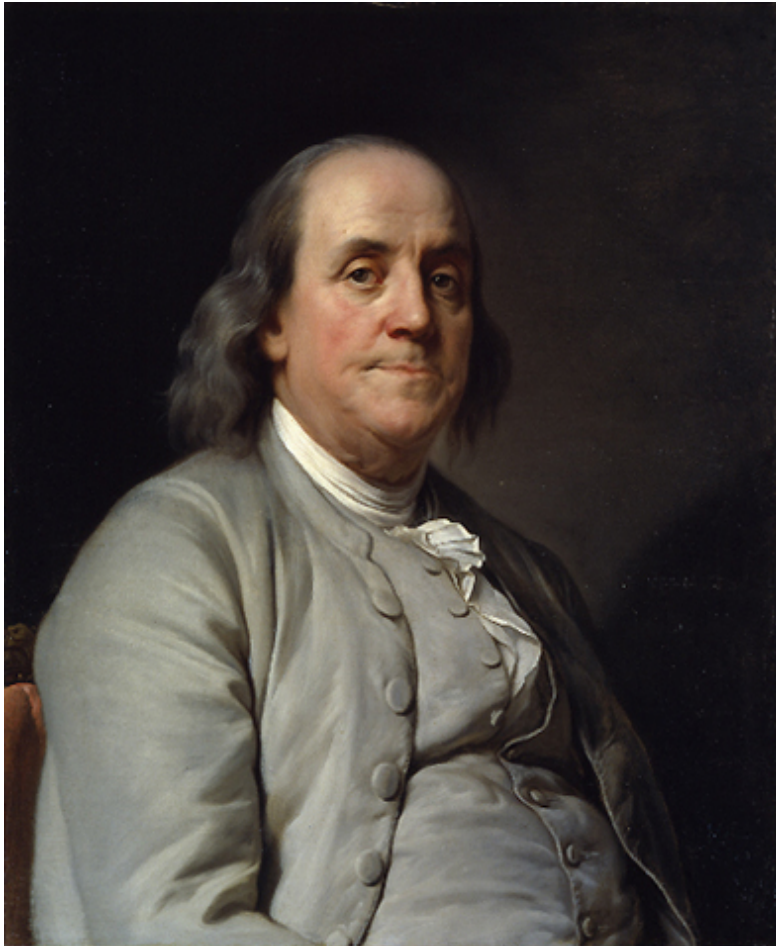


ALIGNMENT WITH STAKEHOLDER EXPECTATIONS



"On internal audit, audit committees are still looking for greater value."

2015 Global Audit Committee Survey from KPMG's Audit Committee Institute



*“By failing
to prepare,
you are
preparing
to fail.”*

-Benjamin Franklin



CHALLENGE



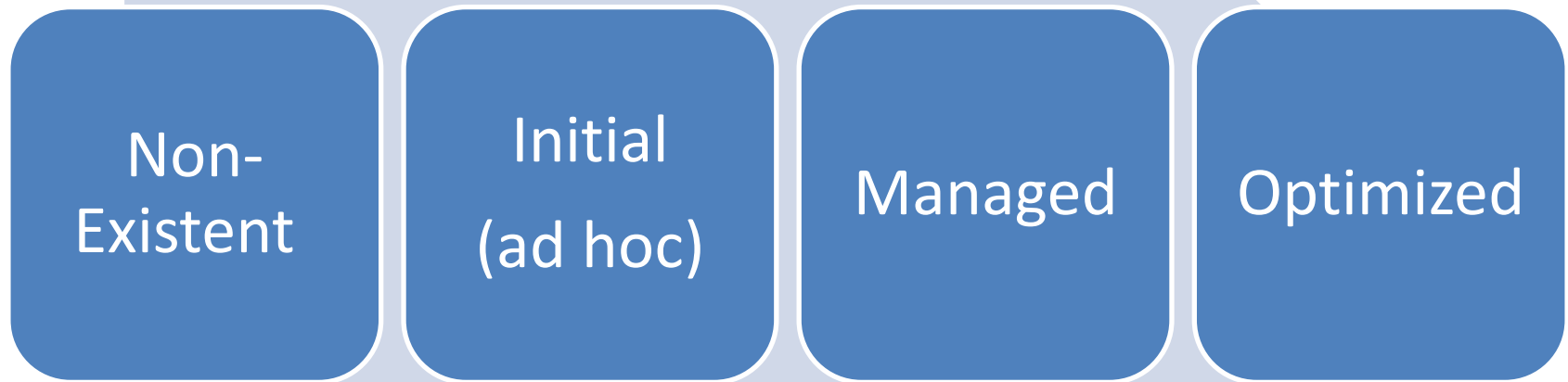
“There is no more enduring challenge for internal auditors than achieving and maintaining alignment with the expectations of our key stakeholders.”

Richard Chambers, President and CEO of the IIA, February 2015



WORKSHOP MATERIALS

Maturity Model



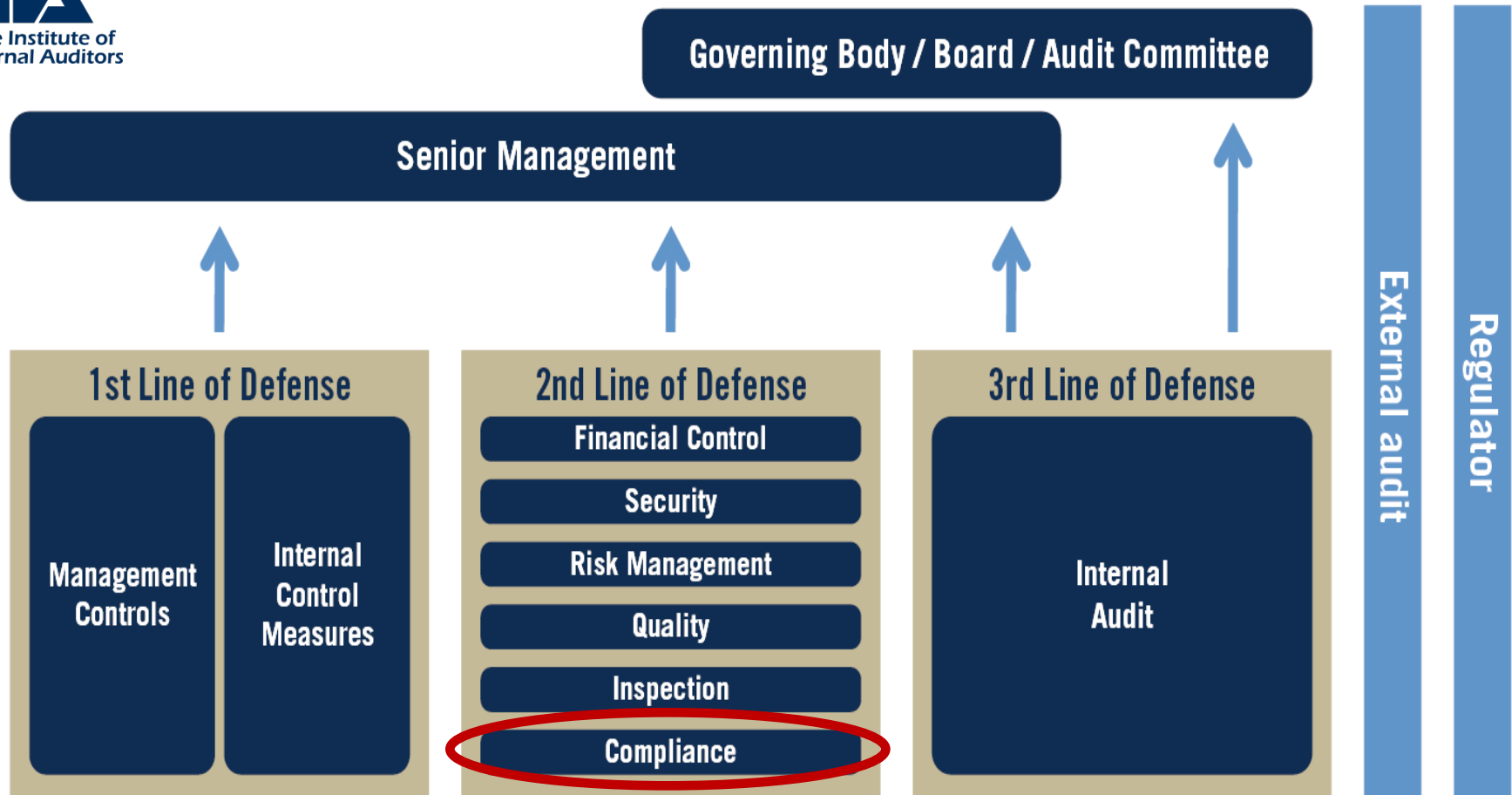


COMPLIANCE





THE THREE LINES OF DEFENSE MODEL





STATE UNIVERSITY SYSTEM COMPLIANCE AND ETHICS CONSORTIUM

- Established – 2013
- Meetings
- Charter
- First in-person Meeting
- Participation
- AACCC Presentation
- Draft Regulation



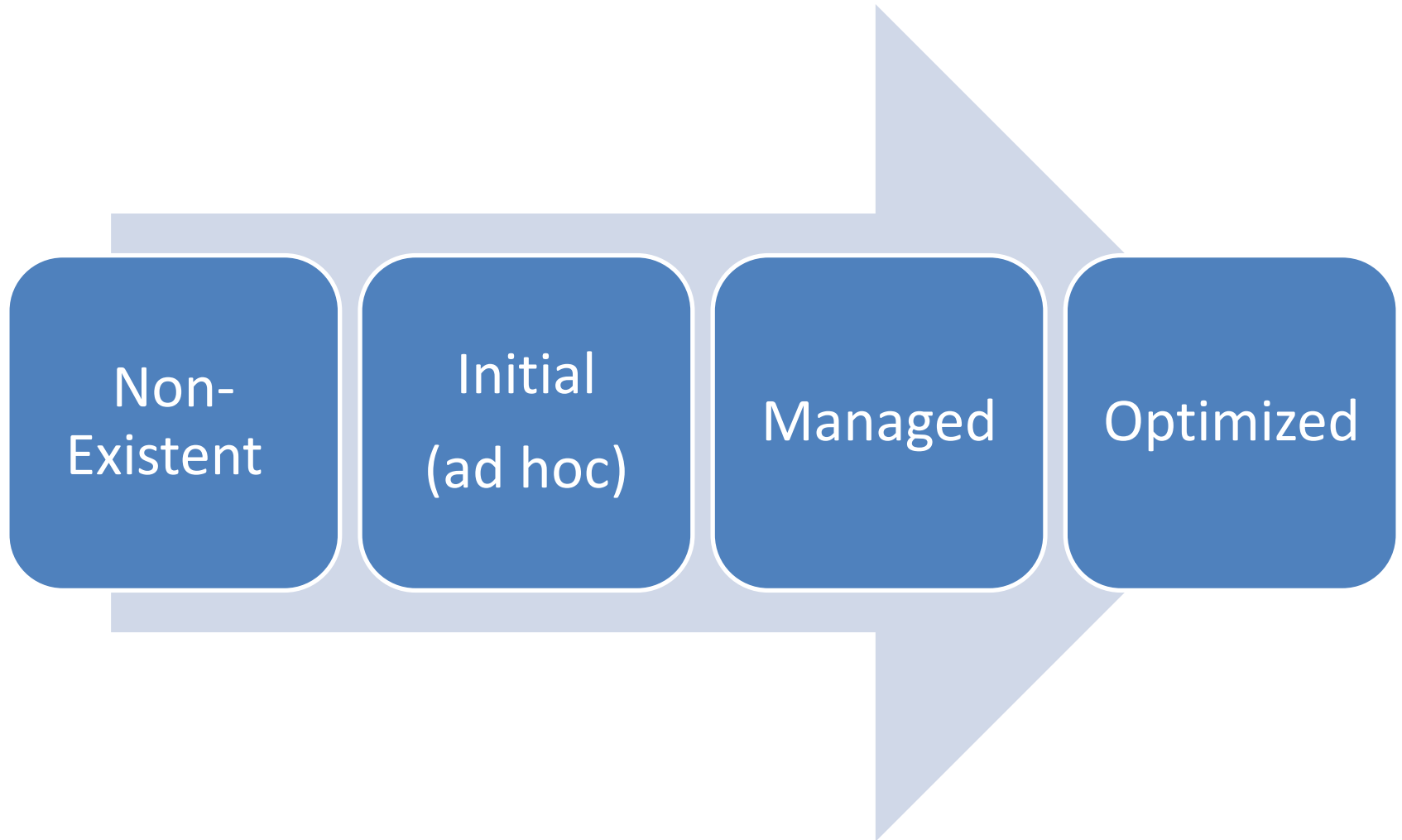
UNIVERSITY COMPLIANCE PROGRAMS

All SUS Institutions compliance functions

University	Office	Incumbent	Maturity
FAMU	Chief Audit Executive (CAE)	Rick Givens, VP and CAE	?
FAU	Decentralized	--	?
FGCU	General Counsel	Vee Leonard, GC	?
FIU	Chief Compliance Officer (CCO)	Karyn Boston, CCO	?
FPU	--	--	--
FSU	CAE	Sam McCall, CAE	?
NCF	CAE	John Martin, VP Fin. & Admin.	?
UCF	CCO	Rhonda Bishop, CCO	?
UF	Decentralized	--	?
UNF	CCO	Joann Campbell, CCO	?
USF	CAE	Jeff Muir, CCO	?
UWF	CAE	Matt Packard, Compliance Specialist	?



COMPLIANCE AND ETHICS PROGRAM MATURITY MODEL





REGULATION DEVELOPMENT - COMPLIANCE

Authority: Board of Governors

- **Require University Compliance and Ethics Programs**

- Consistent with U.S. Sentencing Guidelines – 7 Elements

1. Establish infrastructure
2. Compliance and ethics oversight
3. Avoid delegation of authority to unethical individuals
4. Communicate and educate
5. Monitor and audit
6. Consistent enforcement and discipline
7. Incident response and prevention

- Chief Compliance Officer

- BOT committee responsible for compliance matters





COMPLIANCE AND ETHICS

Considerations

- Federal Sentencing Guidelines
- Chief Compliance Officer
- Reporting Structure
- Board of Trustees Committee
- SUS Compliance and Ethics Consortium Participation
- Professional Affiliations and Certifications

Discussion





OFFICE OF INSPECTOR GENERAL AND DIRECTOR OF COMPLIANCE



Kristina Marasia (OPS Student Assistant), Melanie Yopp (Investigations and Audit Specialist), Lori Clark (Audit and Compliance Specialist), and Joseph Maleszewski (Inspector General and Director of Compliance)



OFFICE OF INSPECTOR GENERAL AND DIRECTOR OF COMPLIANCE

- Established - 2007
- Using Existing Resources
- Duties:

An Office of Inspector General shall be organized using existing resources and funds to promote accountability, efficiency, and effectiveness and to detect fraud and abuse within state universities.

- s. 20.155(5), F.S.

- Duties included compliance matters



REGULATION DEVELOPMENT – OIGC

Authority: Section 20.155, Florida Statutes

- **Powers and Duties**

- **Promote:**

- Accountability
 - Efficiency
 - Effectiveness

- **Detect:**

- Fraud
 - Abuse

- **Agency Inspector General**





REGULATION DEVELOPMENT – OIGC

Authority: Section 20.155, Florida Statutes

- **Allegations**
 - Waste
 - Fraud
 - Financial Mismanagement
- **BOG Determinations – Is a BOT “Unwilling or Unable?”**
- **BOT “Unable” – Specific Circumstances**
- **OIGC recommendation to BOG for action**





OFFICE OF INSPECTOR GENERAL AND DIRECTOR OF COMPLIANCE

Considerations

- Role of OIGC
 - Promote Accountability, Efficiency and Effectiveness
 - Detect Fraud and Abuse
- Allegations of Waste, Fraud or Financial Mismanagement
- Circumstances when a BOT is “Unwilling or Unable”

Discussion





COMPLAINTS AGAINST CAE AND STAFF





COMPLAINTS AGAINST CAE AND STAFF

“Who investigates complaints against CAE and/or CAE staff?”

CAE Survey Responses

University	CAE	CAE Staff member
FAMU	BOT / AC	
FAU	President / BOT	CAE
FGCU	President	CAE
FIU	General Counsel (GC)	
FSU	President / AC	CAE / GC / BOT AC
NCF	BOT AC	
UCF	GC / OIGC BOG	
UF	President	
UNF	-	
USF	GC (possible referral)	
UWF	President / BOT	CAE



COMPLAINTS AGAINST CAE AND STAFF

Considerations

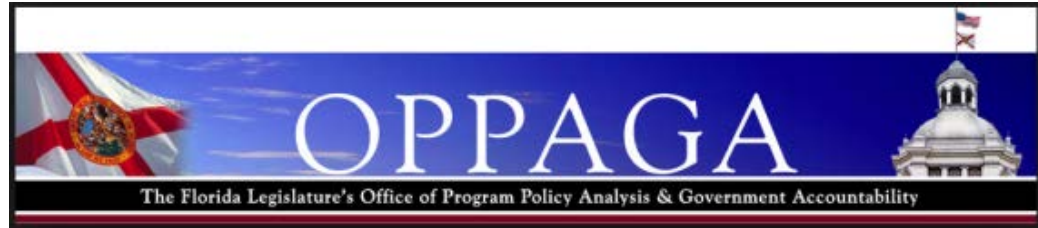
- Current Practice
- Independence
- Objectivity
- Type of Complaint

Discussion





AUDIT COVERAGE: STATE UNIVERSITY SYSTEM



CAEs





AUDIT COVERAGE

Auditor General - Financial Statement Audit FYs 2010-11 through 2012-13

- Financial Statements – Fairly Presented
- Internal Controls
- Noncompliance
- Additional Matter





AG OPERATIONAL AUDIT SCOPE

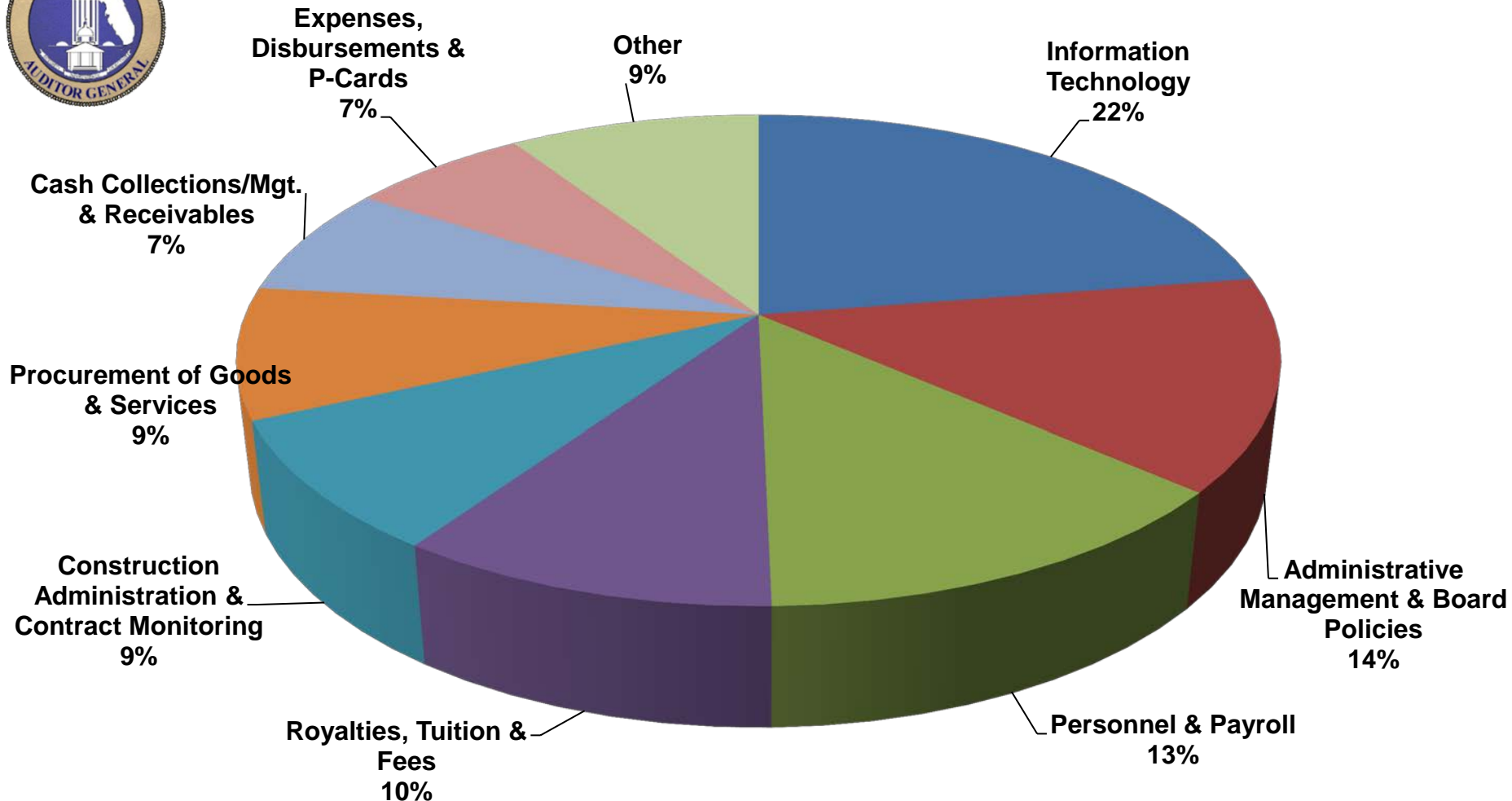
- | | |
|---|--|
| <ul style="list-style-type: none">• IT policies and procedures• IT access privileges and separation of duties• IT access – deactivation of employees• IT logging and monitoring• IT authentication controls• IT data loss prevention• IT logical access controls & user authentication• IT security incident response• Board and committee meetings• Textbook affordability• Identity theft prevention program (Red Flags Rule)• Internal audit function (inspector general)• Fund equity controls• Investments• Student receivables• Florida residency determination and tuition• Tuition differential fees• Auxiliary operations contract compliance | <ul style="list-style-type: none">• Terminal pay• Severance pay• Related-party transactions• Journal entries• Direct-support organizations• Fraud policy and related procedures• SSN requirements• Conflicts of interest• Annual physical inventory of property• Distance learning fees• Royalty fees• Dual enrollment programs• Construction administration• Earmarked capital project resources• Transient student admission• Cash collection procedures• Rebate revenues• Grant administration |
|---|--|



AUDIT COVERAGE



Operational Report Findings (FY 6/30/11- 6/30/14)



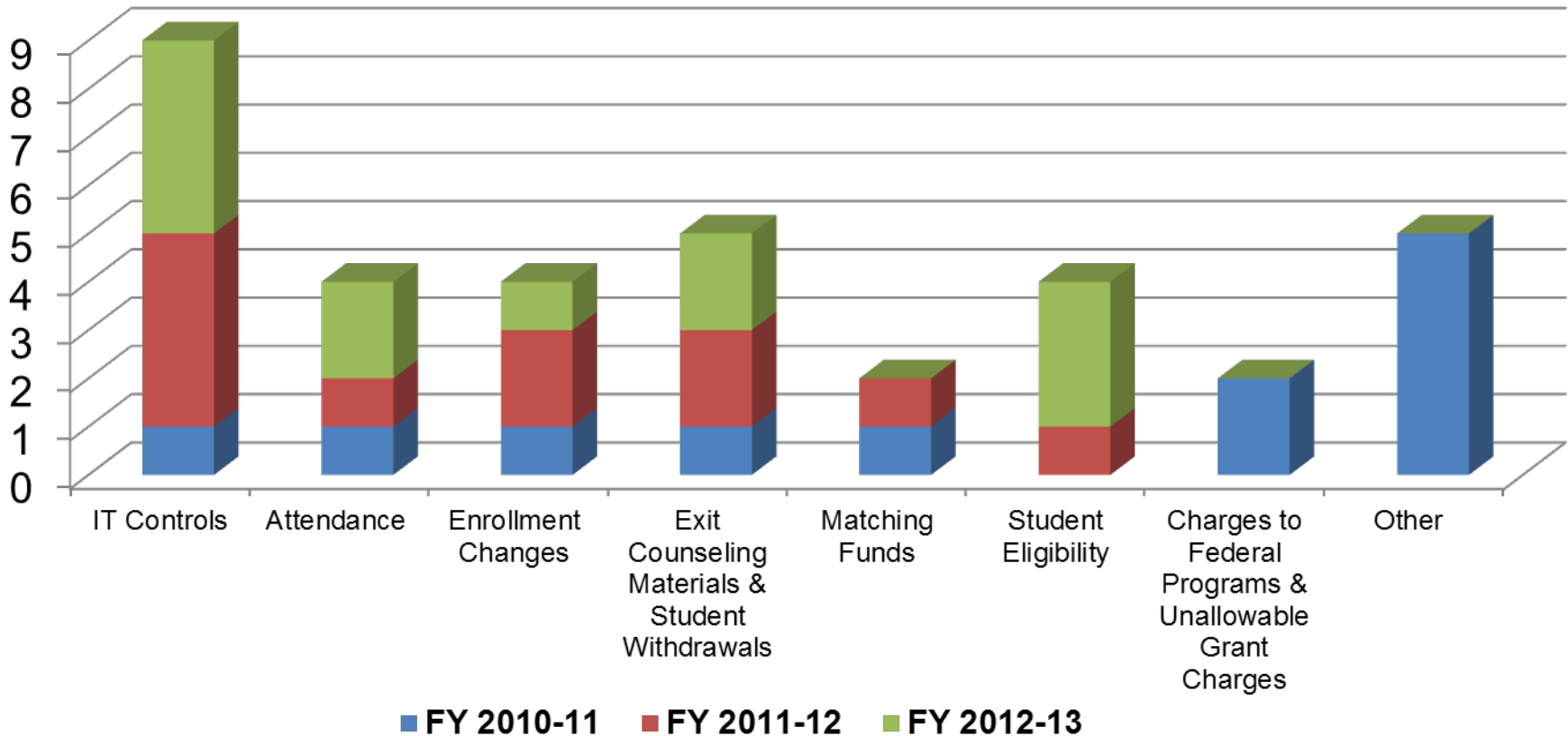


AUDIT COVERAGE



Auditor General - Federal Awards Audits *Student Financial Assistance Findings*

35 Total - FYs 2010-11 to 2012-13





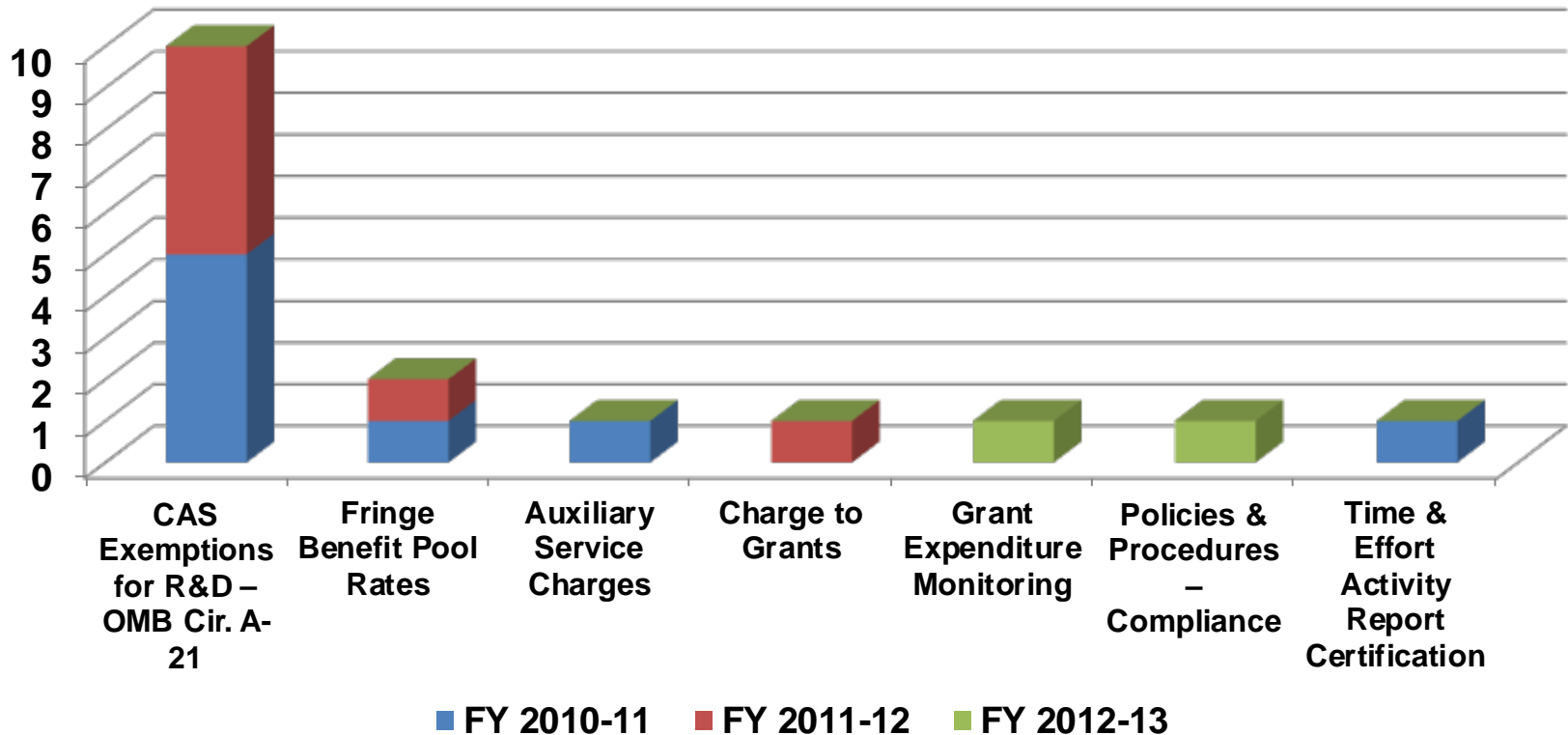
AUDIT COVERAGE



Auditor General - Federal Awards Audits

Research & Development Findings

17 Total - FYs 2010-11 to 2012-13





AUDIT COVERAGE



Auditor General - IT Audits of NWRDC

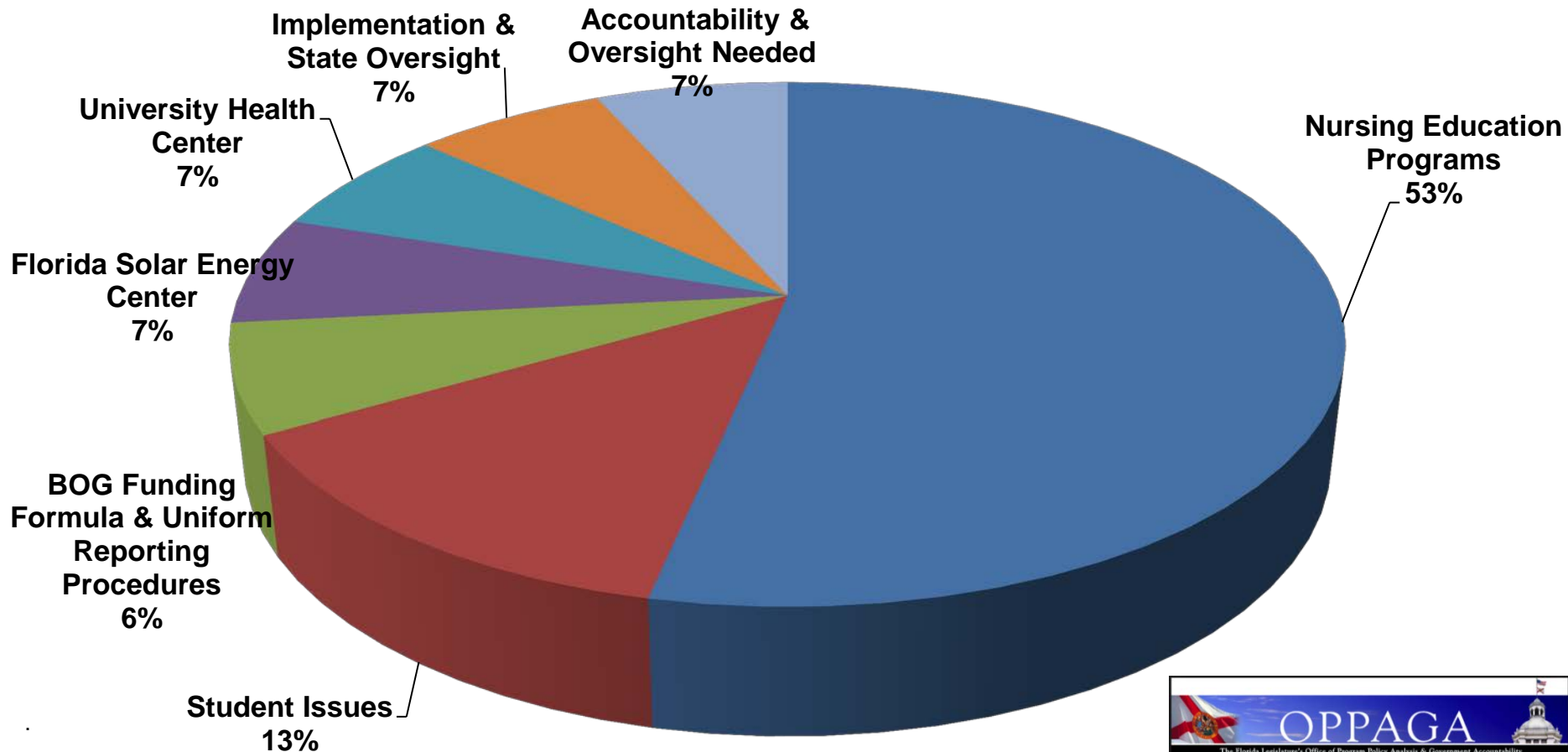
- 4 Audits
- 15 Audit Findings
 - 13 - IT Operations
 - 2 - Cost Allocation Processes





AUDIT COVERAGE

OPPAGA Reports by SUS Category January 2010 - January 2015





AUDIT COVERAGE

Support Organizations/Plans - FY 2012-13

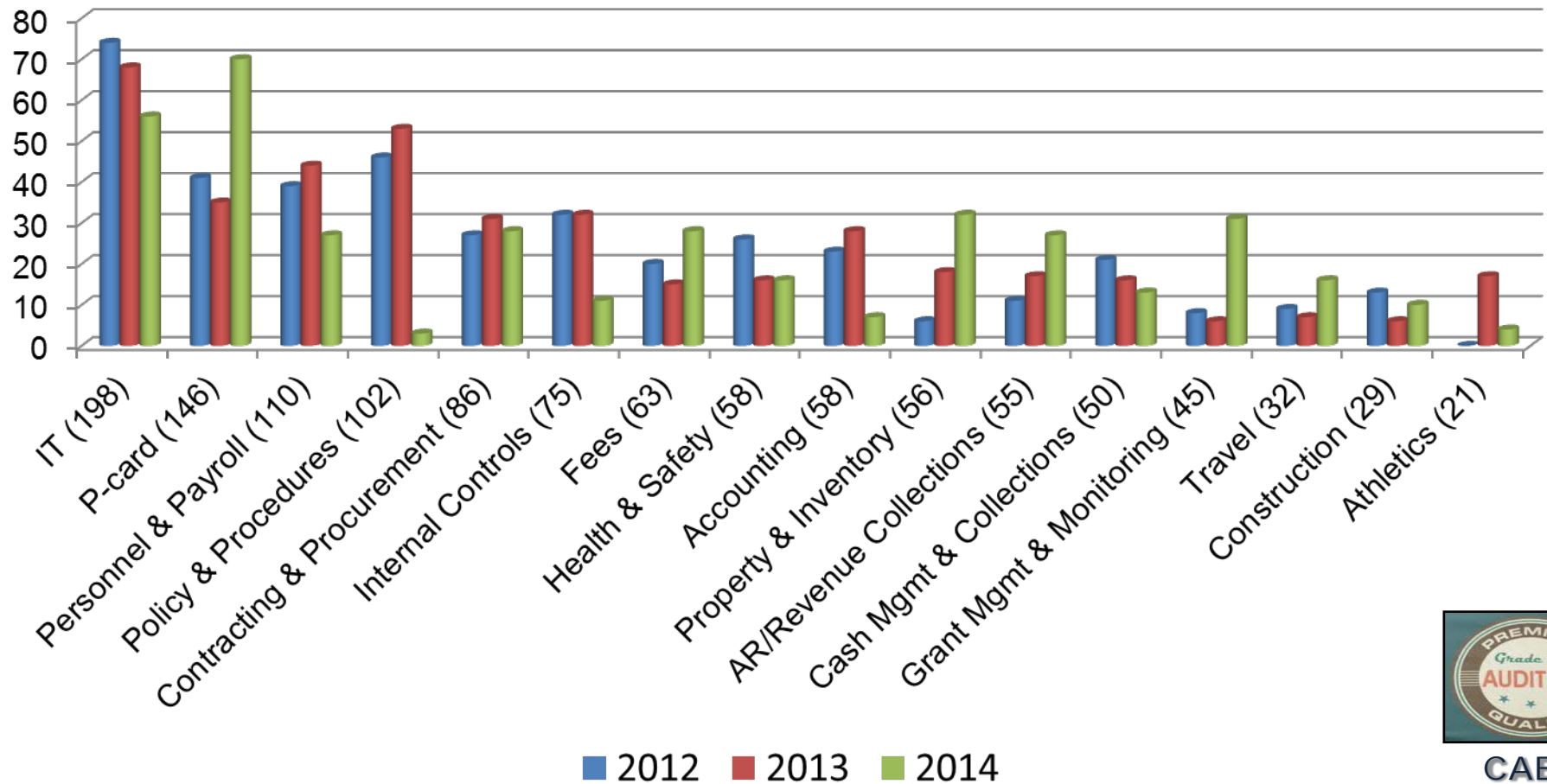
- 73 Financial Statement Audits – Fairly Presented
- 3 AUP: Intercollegiate Athletics
 - Material Weakness - Student Fees \$65,000
 - Exception - Ticket Sales and Student Fees \$200,000
 - Exception - Student Fees \$147,000
- 5 of 73 Audits: I/C over Financial Reporting
 - Intercollegiate Athletics: Material Weakness – Accounts Receivable and Reconciliations
 - Foundation: Material Weakness – Segregation of Duties; Significant Deficiency – Untimely Reconciliations
 - Law Center: Material Weakness – Accounting system conversion
 - Florida Seed Production Foundation: Significant Deficiency – Disbursements
 - Nursing Faculty Practice: Management Letter – Update billing system codes and properly document patient income
- 1 of 73 Audits: Compliance Issue
 - Florida Seed Production Foundation: Travel-related compliance issue





AUDIT COVERAGE

University CAEs – Internal Audit Findings by Category CYs 2012 – 2014



CAEs



RECAP AUDIT COVERAGE

- **University – Financial**
 - Fairly Stated
 - Internal Controls
 - Compliance
- **Federal Awards**
 - Student Financial Assistance
 - Research and Development
- **Support Organizations/Plans – Financial**
 - Fairly Stated
 - Internal Controls
 - Compliance
- **OPPAGA – Nursing**



COMMON/PERSISTENT AUDIT FINDINGS AG AND CAE OPERATIONAL AUDITS

- IT Security – User Authentication
- Textbook Affordability
- Tuition Differential
- Remuneration Administrative Employees
- Severance Payments
- Residency for Tuition Purposes
- DSO – Line of Credit
- P-Card
- Cash Collections
- Contracting and Procurement
- Construction
- Vehicle Fuel Consumption – Vehicle Usage Logs
- IT Disaster Recovery



AUDIT FOLLOW-UP

IIA Performance Standard 2500:

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

- Corrective Action Plans
- Periodic Follow-up
- Escalation of Issues
- Acceptance of Risk





REGULATION DEVELOPMENT – BOARD OVERSIGHT

Authority: Section 1008.322, Florida Statutes

- **Joint Legislative Auditing Committee (JLAC)**
 - Request written statement
 - Appear before JLAC
 - Refer to BOG to proceed under Section 1008.322, F.S.
- **BOG Oversight and Enforcement Authority**
 - Chancellor authority to investigative noncompliance
 - Order compliance
 - Noncompliance
 - Withhold funds
 - Declare ineligible for grants
 - Periodic reporting
 - Recommend action to Legislature





AUDIT COVERAGE AND FOLLOW-UP

Considerations

- Audit Trends
- Role of AG/JLAC
- BOG Oversight and Enforcement Authority

Discussion



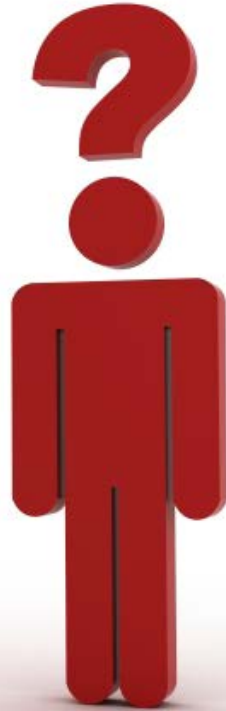


10 MINUTE BREAK ...





RISK ASSESSMENT



- **External**
- **Financial**
- **Hazards**
- **Human Resources**
- **Operational**
- **Information Technology**
- **Reputational**
- **Strategic**
- **Legal/Regulatory Compliance**



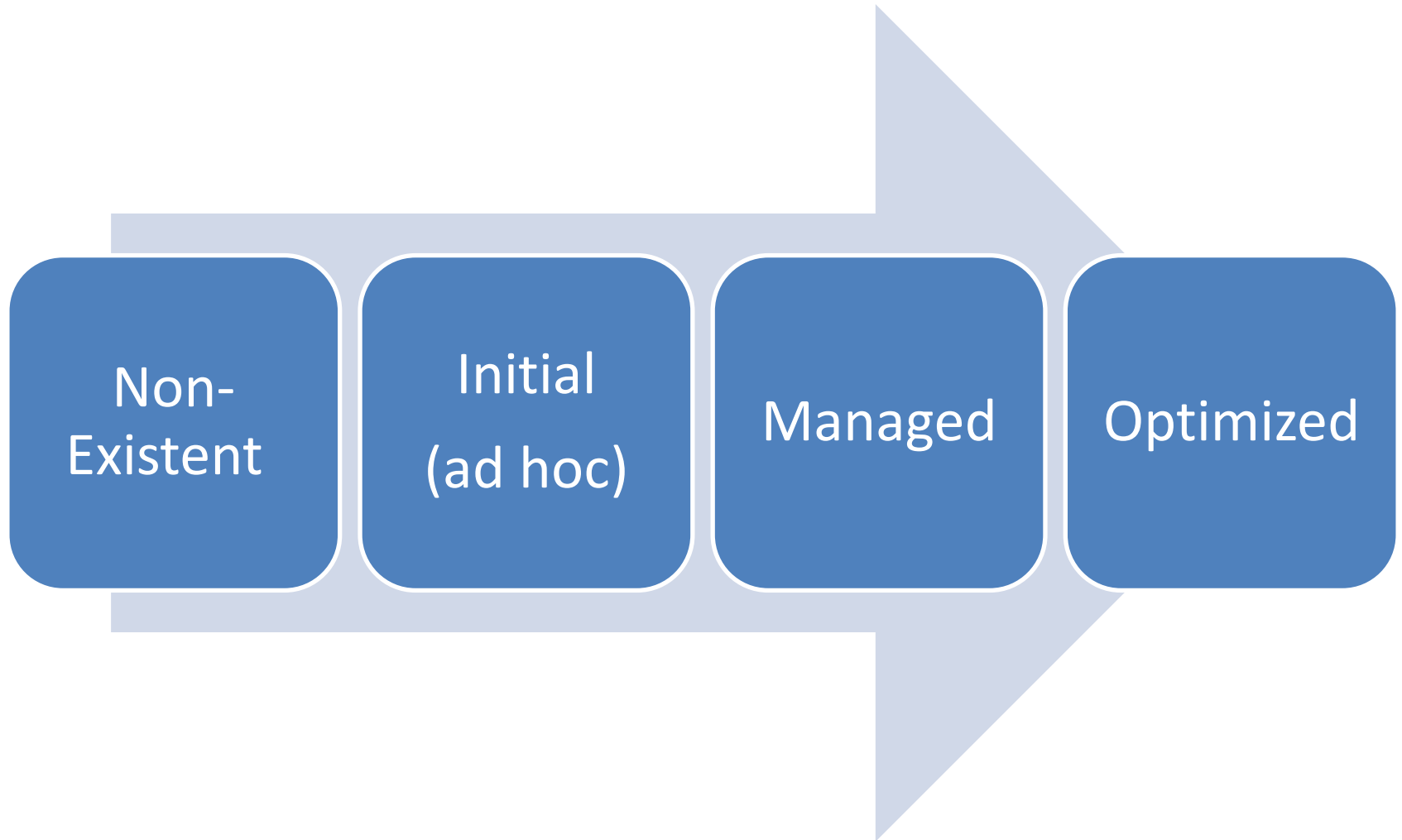
RISK ASSESSMENT – AUDIT WORK PLANS

CAEs indicated they:

- Conduct periodic risk assessments
- Solicit stakeholder input (alignment)
- Understand the strategic direction of their university

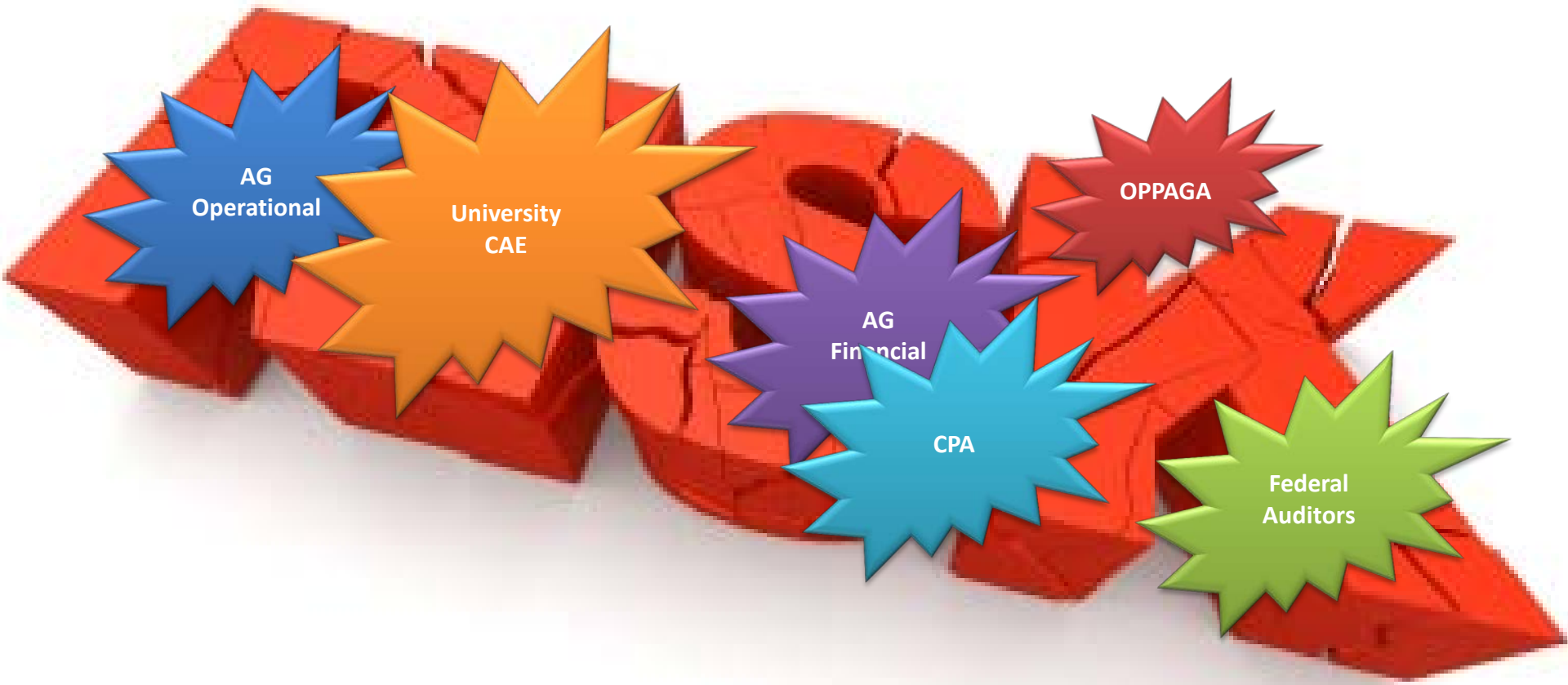


RISK ASSESSMENT MATURITY MODEL





UNIVERSITY RISKS AND AUDIT COVERAGE





HEALTH AND SAFETY – HIGH RISK AREAS





IT RISKS AUDIT COVERAGE





RISK ASSESSMENT

Considerations

- Audit Coverage
- Risk Types
- Risk Appetite
- System-wide Risks
- Fraud Risks
- Are there risks we are not auditing?

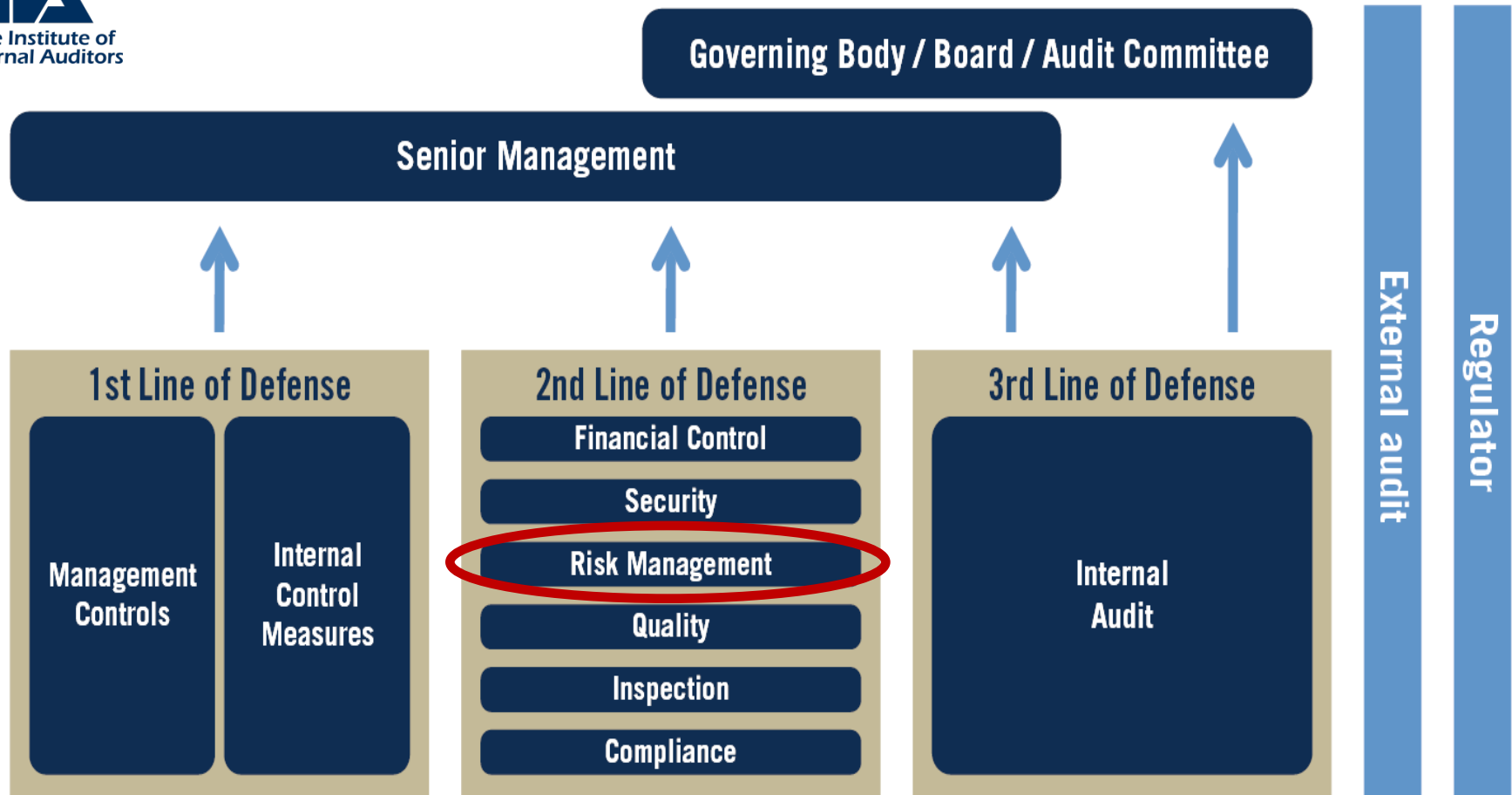
Discussion







THE THREE LINES OF DEFENSE MODEL



University	Committees								
FAMU	Academic Affairs	Audit & Compliance	Budget & Finance	Student Affairs	Facilities Planning			DSO	
FAU	Academic & Student Affairs	Audit & Finance				Community & Government Relations	Personnel & Compensation	Athletics Subcommittee	Strategic Planning & Development
FGCU	Academic, Student & Faculty Affairs	Audit	Finance & Administration						
FIU	Academic Policy & Student Affairs	Finance & Audit			Governance	External Relations		Athletics	Health Affairs
FPU	Academic & Student Affairs	Audit & Compliance	Finance & Facilities		Governance			Housing	Strategic Planning
FSU	Academic Affairs	Finance, Business & Audit		Student Affairs	Collective Bargaining		Presidential Compensation	Efficiency	
NCF	Academic Affairs	Audit	Finance, Facilities* & Administration	Student Affairs		External Affairs			Strategic Planning
UCF	Educational Programs	Audit, Operations Review, Compliance & Ethics	Finance & Facilities		Nominating & Governance		Compensation & Labor (Ad Hoc)	Advancement	Strategic Planning
UF	Educational Policy & Strategy	Audit & Operations	Finance & Facilities		Governance	External Affairs			
UNF	Academic Affairs	Finance & Audit	Student Life & Facilities					Ad Hoc	
USF	Academics & Campus Environment	Finance & Audit						Research, Innovation, Engagement & Job Creation	Health
UWF	Academic Affairs	Audit & Operations	Finance & Facilities	Student Affairs	Executive				



RISK MANAGEMENT: ROLE OF INTERNAL AUDIT

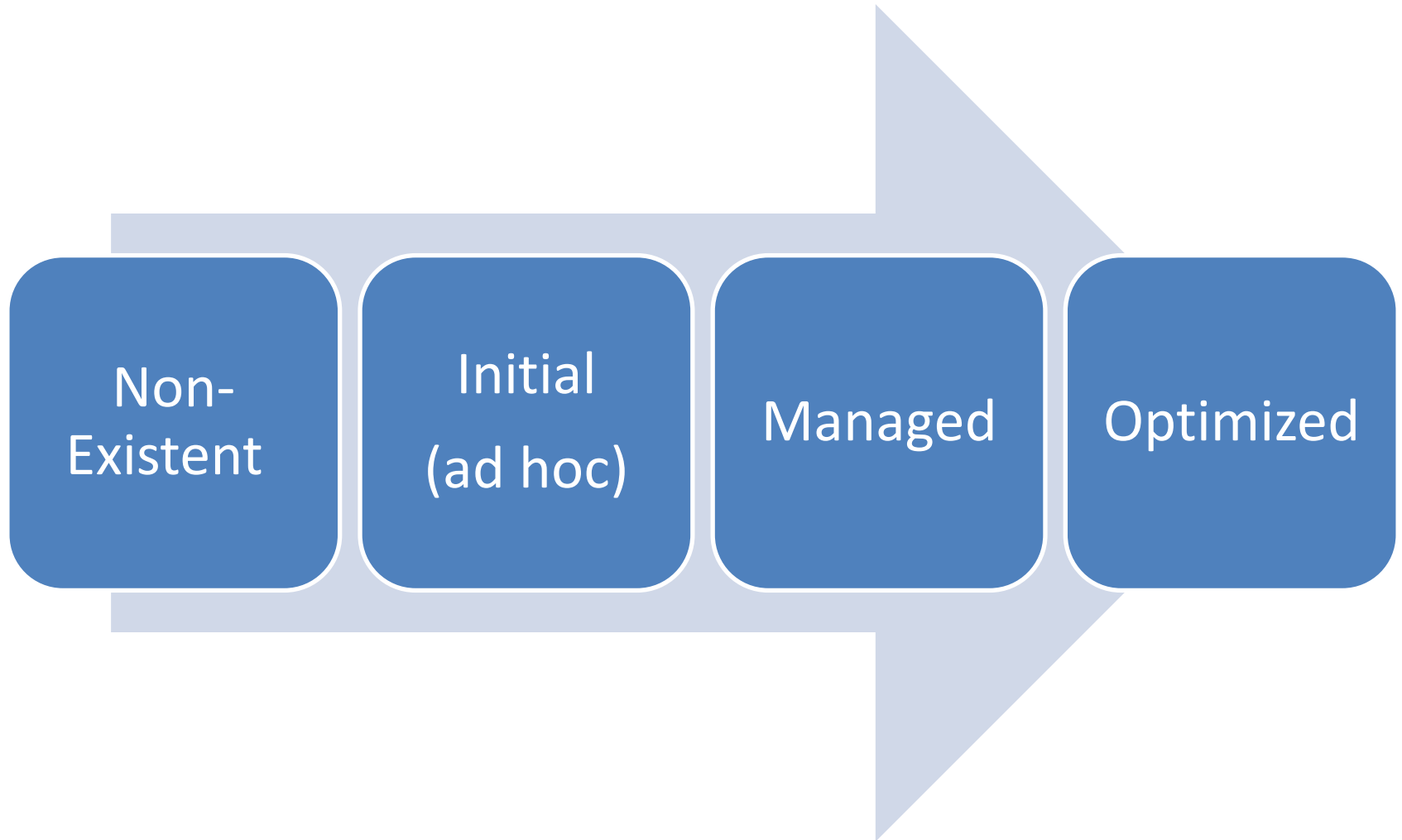
- Risk Management Programs
- Role of Internal Audit?

2120 – Risk Management

*The internal audit activity **MUST** evaluate the effectiveness and contribute to the improvement of risk management processes.*



RISK MANAGEMENT MATURITY MODEL





Considerations

- University Risk Management Programs
- Role of Internal Audit
- Board of Trustees Responsibilities
- Risk Appetite

Discussion





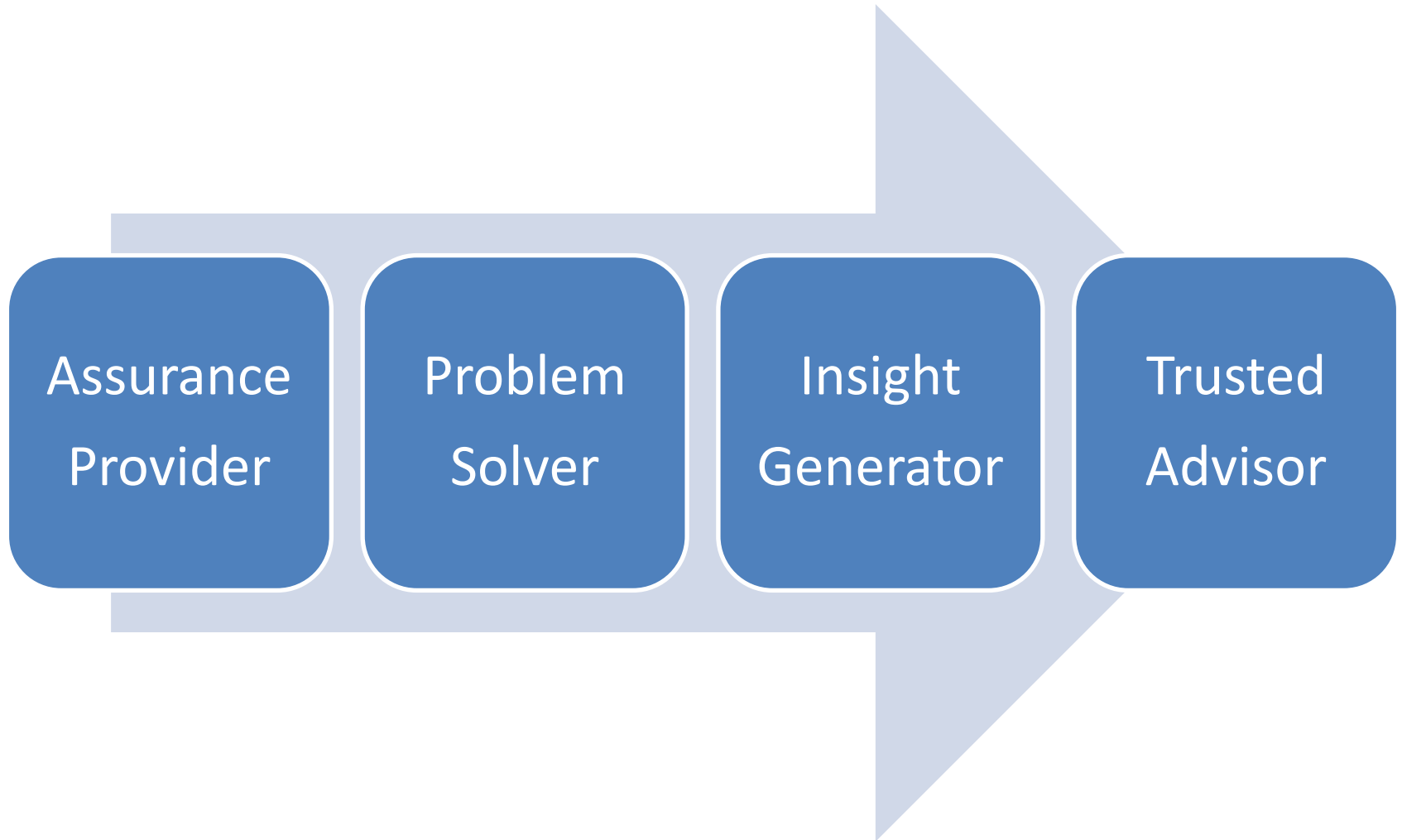
OFFICES OF CHIEF AUDIT EXECUTIVE

compliance
Internal Audit
risk
independent
add value
effective
improve
efficient
assurance
objective

Hotline Investigations
Compliance



OFFICE OF CHIEF AUDIT EXECUTIVE MATURITY MODEL





CAE MISSION

- Audit
- Investigations
- Compliance (4 out of 11)
- Whistle-blower's Act
- Special Projects

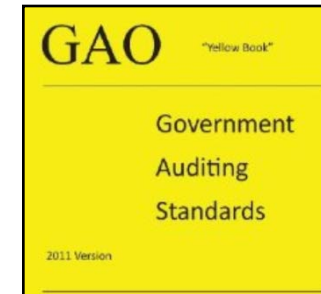




PROFESSIONAL STANDARDS

- **Audit –**

- IIA - Red Book
- GAO - Yellow Book
- ISACA – IS Audit and Assurance



- **Investigations –**

- Green Book
- ACFE – Code of Professional Standards





CAE QUALIFICATIONS

- BA or MA in relevant area
- More than 5 years of experience
- Professional Certification – CPA or CIA

Degrees	Certifications	Professional Affiliations
All have BAs: 1 MBA 2 MPAs 2 MSs 1 PhD	8 CPAs 4 CIAs 2 CIGs 2 CGFM 1 each: CCEP, CCSA, CFE, CGAP, CGMA & CISA	ACFE ACUA AGA AHIA AICPA AIG FICPA IIA ISACA SCCE



CAE INDEPENDENCE

- **CAE Appointment and Removal**
- **Qualifications**
- **Reporting Structure**
- **Resources**
- **Management**
 - Hire staff
 - Manage budget
 - Reporting
- **Scope Limitations**



UNIVERSITY CHIEF AUDIT EXECUTIVE SURVEY

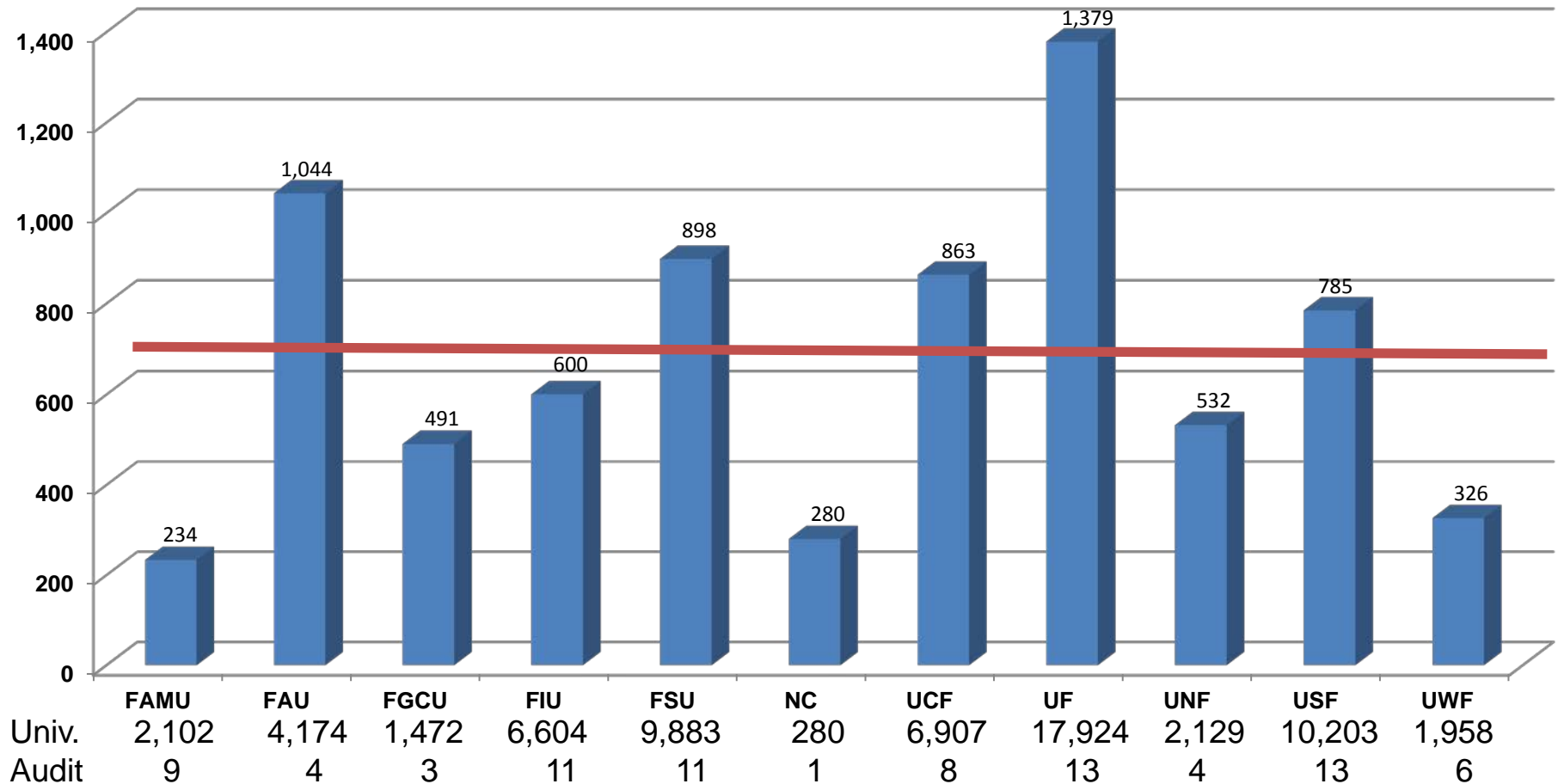
Office Resources:

- **System Total:** \$8 Million
- **University Average:** \$800,000
- **27% Report Insufficient Resources**
- **CAE Priorities for Resources:**
 - Staffing
 - Salaries – Retain Staff
 - Training
 - Audit Software
 - Compliance
 - Hotline



RATIO: AUDIT STAFF TO UNIVERSITY STAFF

Fall Term 2014*

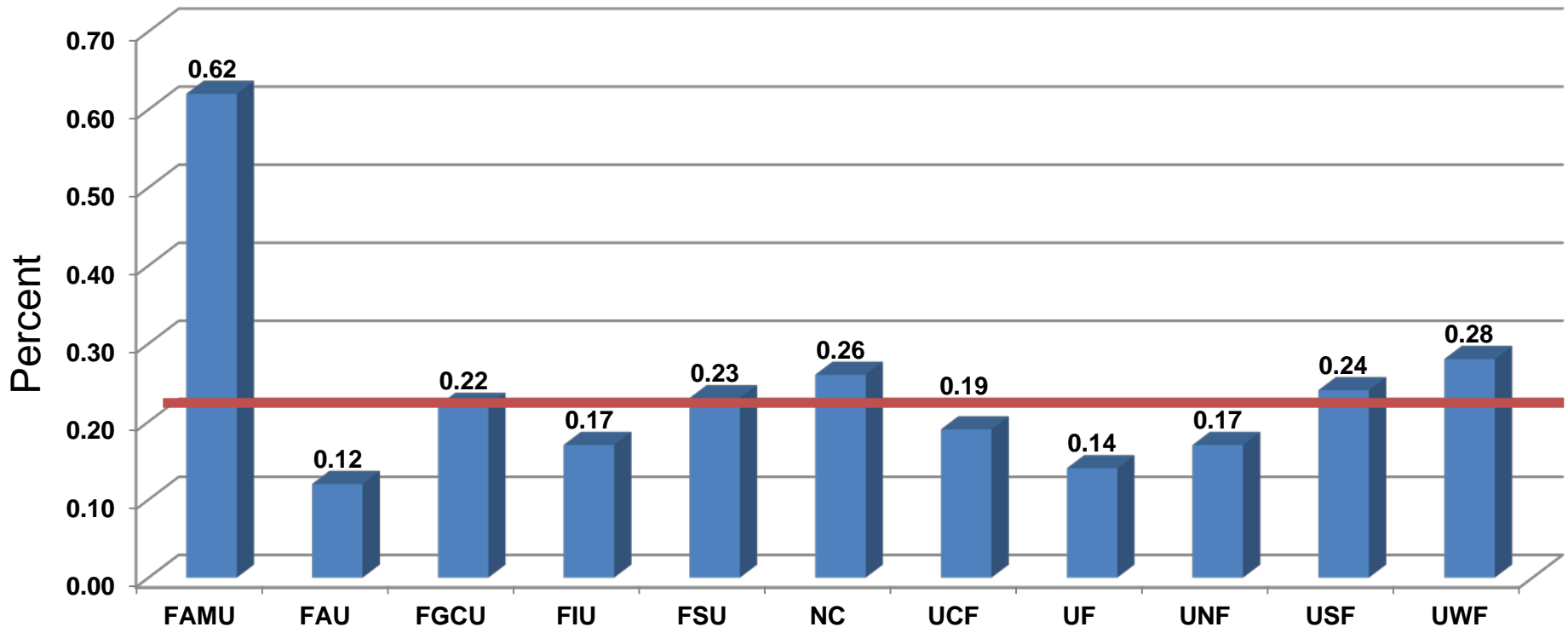


*Does not include FPU.



RATIO: AUDIT TO UNIVERSITY EXPENDITURES

Fiscal Year 2013-2014*



* Does not include FPU.



CAE IT AUDIT STAFF SUMMARY

University	Position	# of FTEs
FAMU	Staff Auditor – IT	1
FIU	Information Systems Audit Manager	1
FSU	Staff Auditor – IT	1
UCF	IT Auditor	Vacancy
UF	Manager – IT Audit	1
	Staff Auditor – IT	Vacancy
UNF	Staff Auditor – IT	1
USF	Assistant Director – Audit/IT	1
	Senior IT Auditor	2
		Total: 10 IT FTEs



CAE v. ACUA AVERAGE SALARIES

CAE Job Titles	ACUA Job Titles	CAE Salaries	ACUA Salaries	△
CAE / IG	CAE	\$138,623	\$121,868	\$16,755
Director of Audit/Investigations	Associate Director	\$87,388	\$106,682	(\$19,294)
Audit Manager	Manager/Supervisor	\$78,205	\$86,653	(\$8,448)
Senior Auditor/Investigator	Experienced Auditor	\$63,838	\$67,010	(\$3,172)
Staff Auditor/Investigator	Entry-Level Auditor	\$54,774	\$48,436	\$6,338
IT Manager	IT Manager	\$89,929	\$102,247	(\$12,318)
Senior IT Auditor	Experience IT Auditor	\$72,201	\$78,117	(\$5,916)
IT Auditor	Entry Level IT Auditor	\$54,750	\$53,615	\$1,135
Administrative Assistant	Administrative/Clerical	\$44,077	\$45,193	(\$1,116)



REGULATION DEVELOPMENT – CHIEF AUDIT EXECUTIVES

- Charters – BOT & CAE Office
- Duties and Responsibilities
 - Audits and Investigations
 - Promote economy and efficiency
 - Prevent and detect fraud and abuse
- Professional Standards
 - Office – AIG General Principles and Standards for Offices of Inspectors General
 - Audits – IIA, GAGAS, ISACA
 - Investigations - AIG Quality Standards for Investigations
- Resources
- Provide training & outreach – fraud awareness, risk management, controls
- Continuing professional development
- Annual Report
- Complaints against CAEs and their staff
- State University Audit Council





REGULATION DEVELOPMENT – CHIEF AUDIT EXECUTIVES

AUDITS:

- **CAE Qualifications**
- **Independence**
 - Appointment and Removal
 - Reporting – Administratively to President & Functionally to BOT
 - Access to information and people
 - Scope limitations
 - Audit Reports
- **Follow-up on AG and CAE findings and recommendations**
- **Acceptance of Risk**
- **Periodic risk assessments and audit plans**
- **Quality assurance and improvement program**





REGULATION DEVELOPMENT – CHIEF AUDIT EXECUTIVES

Investigations:

- Cooperation with official investigations
- Whistle-blower's Act determination and investigation
- Violations of criminal law – report expeditiously to law enforcement
- Complaint tracking, referral and disposition
- Freedom from interference with investigations
- Investigative reports





CHIEF AUDIT EXECUTIVES

Considerations

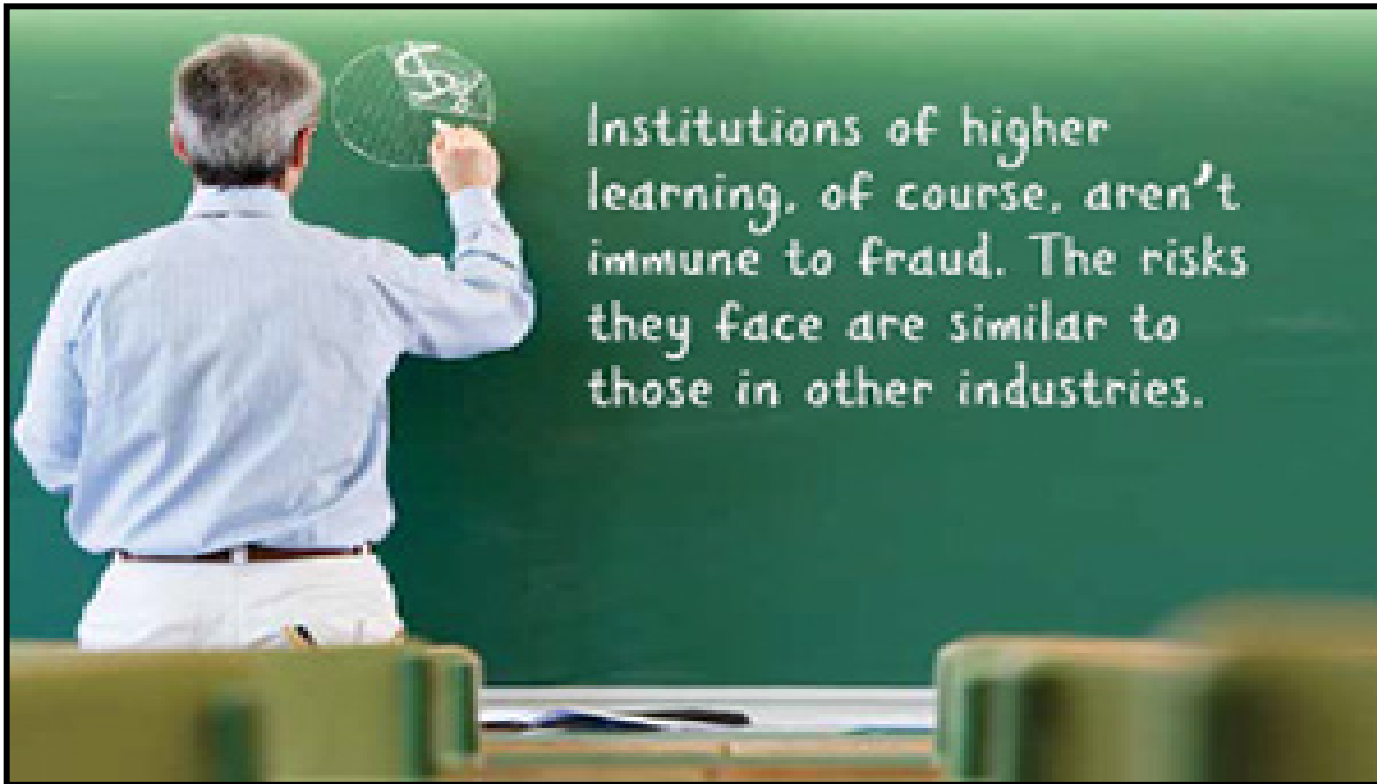
- Investment in CAE
- Resourcing – Staffing & Budgets
- Independence
- Prepared (Qualified, Educated, Experienced, Certified)
- IG Equivalent Positions
- Regulation

Discussion





FRAUD

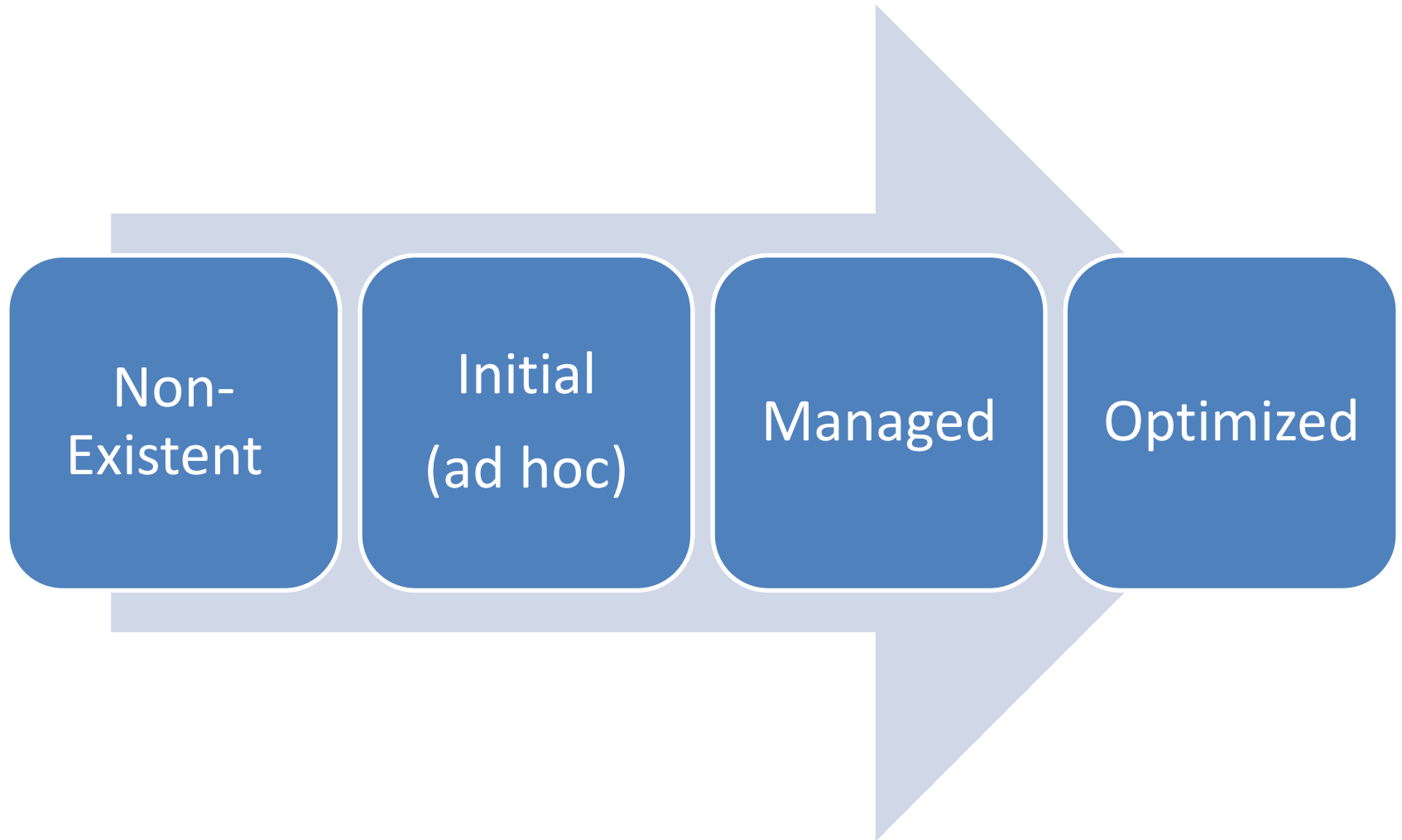


© FUSE/THINKSTOCK

"Most universities often are fraud victims because of their unique control environments. An atmosphere of openness and collegiality, and faculty members who don't want to be controlled, can lead to a lack of segregation of duties and independent oversight."



FRAUD MATURITY MODEL





ACFE 2014: REPORT TO THE NATIONS

2014 GLOBAL FRAUD STUDY





COST OF FRAUD ACFE 2014

The COST of FRAUD

- 5% of annual revenue to fraud
 - 1,483 cases = over \$3 billion in losses
 - Potential \$3.7 trillion worldwide loss
- 22% of frauds > \$1 million
- Hidden costs:
 - Productivity
 - Reputational damage
 - Related business
 - Investigation and remediation
- 58% of entities had not recovered losses

The cost of fraud is the equivalent of a financial iceberg; some of the direct losses are plainly visible, but there is a huge mass of hidden harm that we cannot see.



FREQUENCY OF FRAUD SCHEMES ACFE 2014

Three categories of occupational frauds:

1. Asset misappropriations
 2. Corruption
 3. Financial statement fraud
- Misappropriation – most common = 85% of all fraud
 - Most common fraud schemes in education:
 - 36.30% Corruption
 - 33.80% Billing
 - 31.30% Expense Reimbursements
 - 20.00% Skimming
 - 16.30% Cash on Hand
 - 16.30% Payroll





COST OF FRAUD

Frauds in Higher Education - six-figure occupational fraud losses:

- Bethany College, WV, > \$500,000 cashier's office employee charged
- Harrisburg Area CC, PA, \$228,000 VP plead guilty used institutional funds for personal purchases
- Georgetown, D.C., about \$390,000 administrator embezzled



Education is now one of the top five industries for reported cases of occupational fraud.

Source: Source: Anne Rawland Gabriel, University Business, January 2014 (UB, 2014)



SUS FRAUD EXAMPLES

2012 - University Events Director arrested on 8 Counts of Fraudulent Claims

- Submitted false info regarding per diem and travel expenses



2013 - Former University Student Gets 2 Years in Prison for Identity Theft

- Redirected financial aid refunds
- Aggravated ID theft and access device fraud



2014 - Former University Dean & Student Government Association(SGA) Coordinator of Accounting & Budgets

- Arrested for Stealing money from SGA
- Admitted to stealing from fees paid for out of town games
- Three counts grand theft and 11 counts fraudulent claims



FRAUD

Considerations

- Tone at the top
- How much fraud do we have?
- How do you prefer fraud to surface?
- All fraud is committed by those we trust.
- System fraud policy
- University fraud policies
- Fraud risk assessments

*“There’s
none
deceived but
he that trusts”*

- Benjamin Franklin

Discussion





HOTLINES

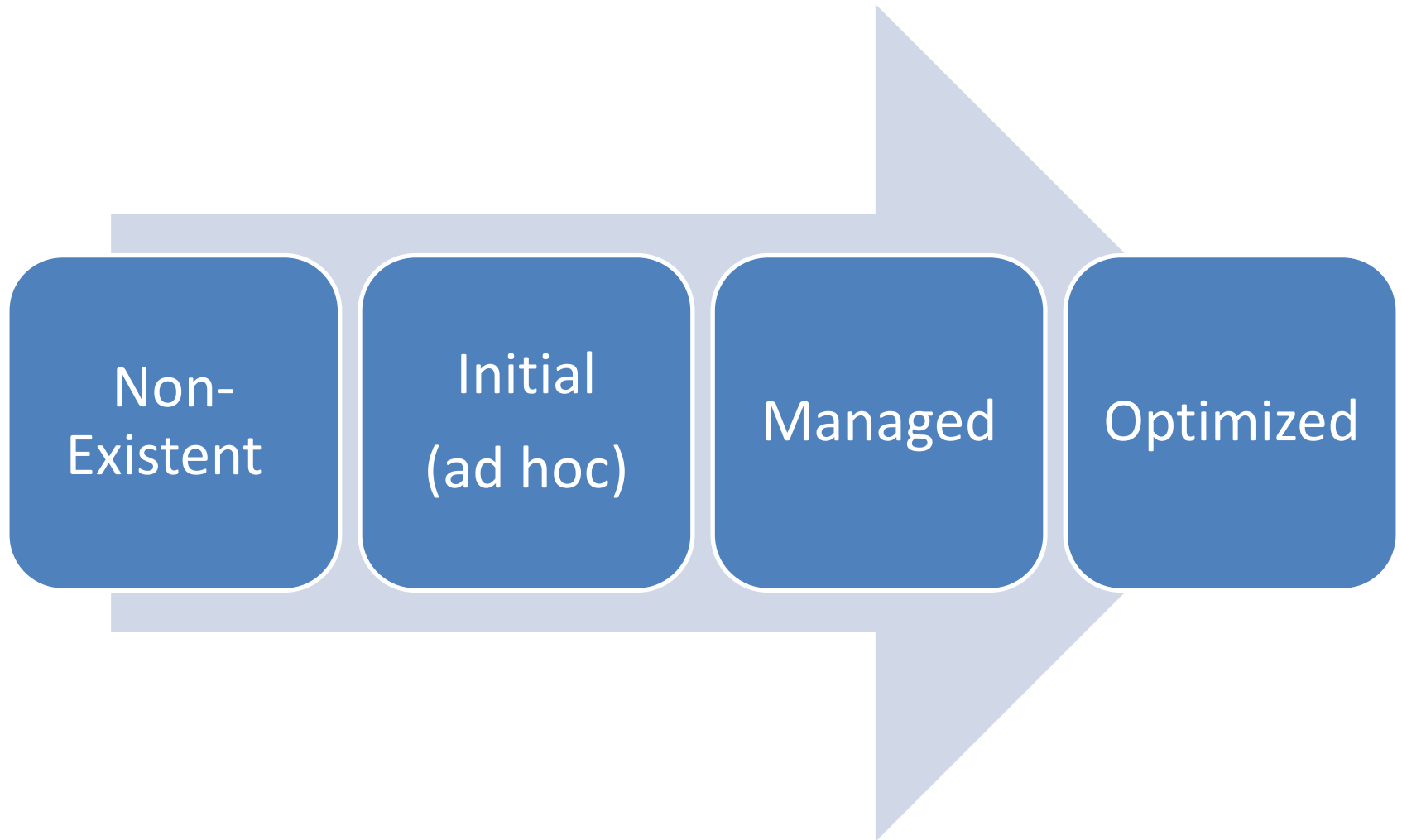


“Organizations with hotlines were much more likely to catch fraud by a tip, which our data shows is the most effective way to detect fraud. These organizations also experienced frauds that were 41% less costly, and they detected frauds 50% more quickly.”

Source: ACFE 2014 Report to the Nations

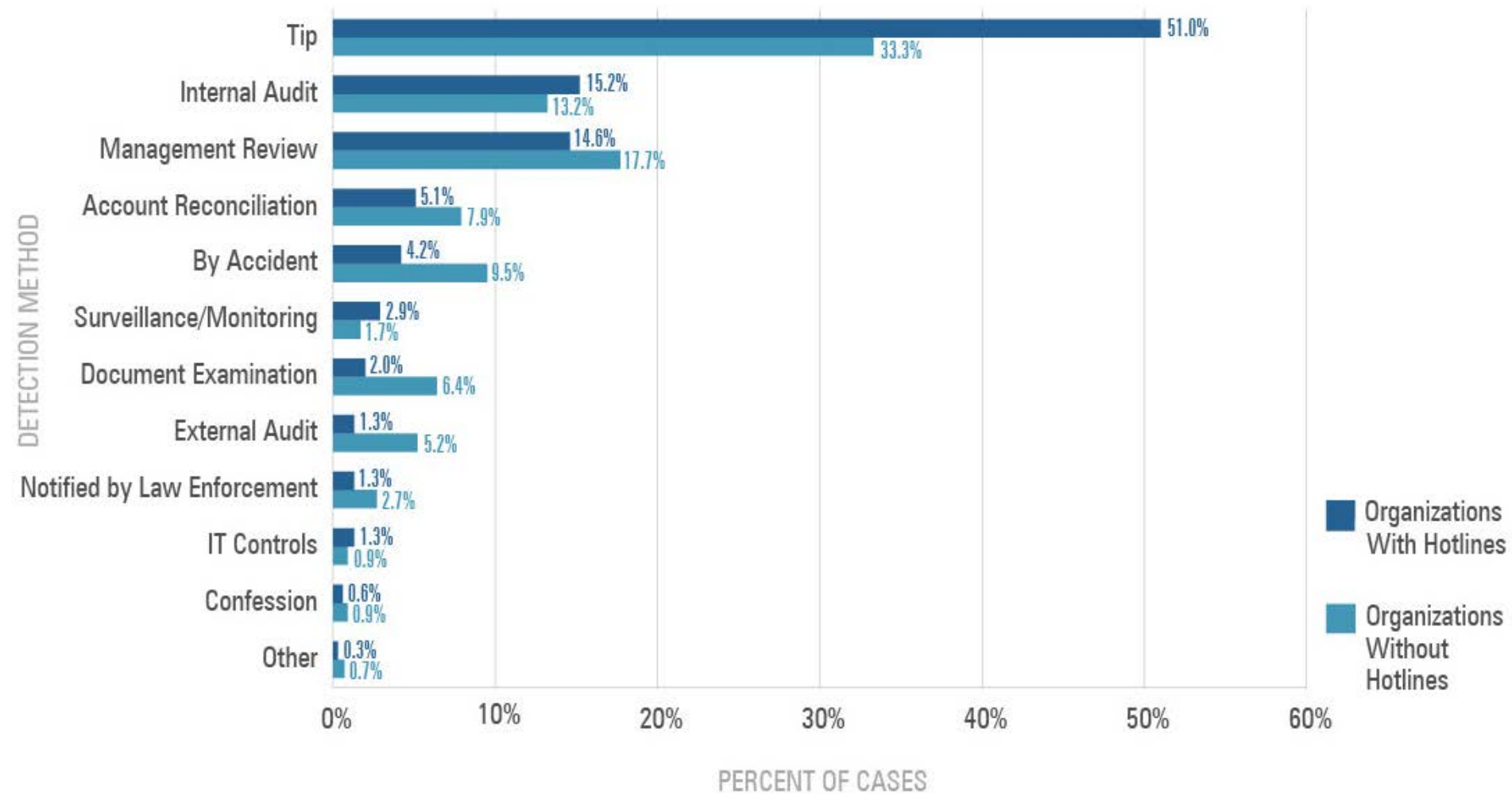


HOTLINE MATURITY MODEL





IMPACT OF HOTLINES ACFE 2014





COMPLAINT HOTLINE AND TRACKING SYSTEM

- 7 Universities (58%) have hotlines
- 5 use EthicsPoint (Navex)
- 1 uses The Network
- 1 in-house web-based system
- **All track complaint dispositions:**
 - 9 use in-house systems
 - 2 use off-the-shelf systems (Navex and TeamMate)



OIGC COMPLAINTS PAGE

- Student Complaints
- OIGC Complaints
- University Complaints
- Ethics Complaints
- Florida Commission on Human Relations
- CFO Get Lean Hotline
- Whistle-blower's Hotline
- USDOE – Office of Civil Rights
- USDOE – OIG



<http://www.flbog.edu/contact/complaint/>



FAU

FLORIDA GULF COAST UNIVERSITY

FIU

FLORIDA POLYTECHNIC UNIVERSITY



UCF

UF



USF

UWF



HOTLINES

Considerations

- Governors CIG WB Hotline
- OIGC Complaints Page
- Management of Hotlines

Discussion





WHISTLE-BLOWERS

Whistle-blower's Hotline



Sections 112.3187-112.31895 , F.S. - “Whistle-blower’s Act”



NATURE OF INFORMATION DISCLOSED

“Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public’s health, safety or welfare”

“Any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, suspected or actual Medicaid fraud or abuse, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.”

Subsection 112.3187(5)(a), F.S.



WHISTLE-BLOWERS

- Appoint IG for purposes of Whistle-blower's Act – make determinations and conduct the investigations
- Protection for WB
- Confidentiality
 - WB Identity,
 - Active Investigative Information
- Investigative Timeframes
 - Determinations (20 days)
 - Investigations (60 days)
- Governors CIG – WB Hotline
- WB Response – 20 days
- Referral to LE if Criminal



UNIVERSITY WB DETERMINATIONS

- All Chief Audit Executives
- 6 Universities General Counsels
- 2 University Presidents



WHISTLE-BLOWERS

Considerations

- BOT Appointment of IG for purposes of WB Act
- Determinations and Investigations
- Placement/Independence
- Timeframes
- Confidentiality

Discussion





QUALITY ASSURANCE





IIA Attribute Standard 1300 – QAIP

- Internal Assessments
 - Ongoing
 - Periodic self-assessments
- External Assessments (every 5 years)
- Management Action Plan
- Reporting – Senior Management & Board
- Use of “Conforms with the ISPPPIA”
- Disclosure of Nonconformance



QUALITY ASSESSMENT REVIEW

- External QAR
 - 10 of the 11 have had a QAR within the required 5 years
 - All 11 received a Generally Conform (GC) finding
 - Opportunities for improvement
- Internal QAR



INVESTIGATIONS

CAEs conducting joint investigations with university, local, state and/or federal law enforcement agencies:

- 64% (7) universities do
- 36% (4) universities do not



UNIVERSITY POLICE ACCREDITATION



FAMU



FGCU



FSU



UCF



UF



UNF



USF & NCF



QUALITY ASSURANCE

Considerations

- Quality Assurance and Improvement Program (QAIP)
- Internal Quality Assessment
- External Quality Assurance Review – Every 5 Years
- Self-Assessment with External Validation
- LE Partner Accreditation

Discussion





SHARED SERVICES





SHARED SERVICES



The State University System is working together to save

Florida's 12 universities are poised to find big cost-savings on contracts after buying a spend analytics tool designed to help them negotiate collectively. The tool provides a comprehensive view into System-wide spending and assists in leveraging the size of the State University System to secure better contracts on products from computers to car rentals.

Why should you care? The purchase of a spend analytics tool is one of many State University System efforts to enhance efficiency and ensure the best possible use of taxpayer dollars. The State University System even found savings on the purchase of the software itself, which cost \$244,493--\$600,000 less than if the universities had purchased spend analytics software independently.

Bottom line? The State University System of Florida provides a good return on investment.



CAE SHARED SERVICES

- 1. Education and Training**
- 2. SUS Staff Expertise**
 - a. IT Audits
 - b. Quality Assessment Reviews
- 3. Information Sharing**
 - a. Reports and Findings
 - b. Audit Expertise
 - c. Audit Plans and Risk Assessments
- 4. Resources**
 - a. Third-party Hotline
 - b. System-wide Audit Management Software
 - c. Electronic Work Papers



Considerations

- Training and Development
- Quality Assessment Reviews
- Information Sharing
- ACUA Resources
- CAE Collaboration via SUAC
- Software
 - Audit Management
 - Working Papers
 - Computers Assisted Audit Techniques

Discussion





WRAP UP

Wrap Up!



WRAP-UP!

Background:

- Governance
- Pulse of the Profession

Discussion Topics:

1. Compliance and Ethics
2. OIGC Roles, Powers and Duties
3. Complaints Against Chief Audit Executives and Staff
4. Audit Coverage, Follow-up, and Escalation
5. Risk Assessment
6. Risk Management
7. Offices of the Chief Audit Executive
8. Fraud
9. Hotlines
10. Whistle-blower's Act
11. Quality Assurance (Time Permitting)
12. Shared Services (Time Permitting)



OPEN DISCUSSION





BOARD *of* GOVERNORS

State University System of Florida

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