



# Audit and Compliance Committee

SUS Audits Summary for Fiscal Year 2019-2020

September 16, 2020

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# State University System Audit Coverage



**University  
CAEs**





## Higher Education Specific Audit Types:

- Financial Audits
- Operational Audits
- Statewide Federal Awards Audit
- Information Technology Audits
- Bright Futures Program Audit



# Auditor General Financial Statement Audits FY 2019-2020



## 11 of 12 Audits-Financial Statements Fairly Presented

- Florida Agricultural and Mechanical University Financial Audit Report found:
  - Significant Deficiency – improper implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.



# Auditor General Operational Audits Scope



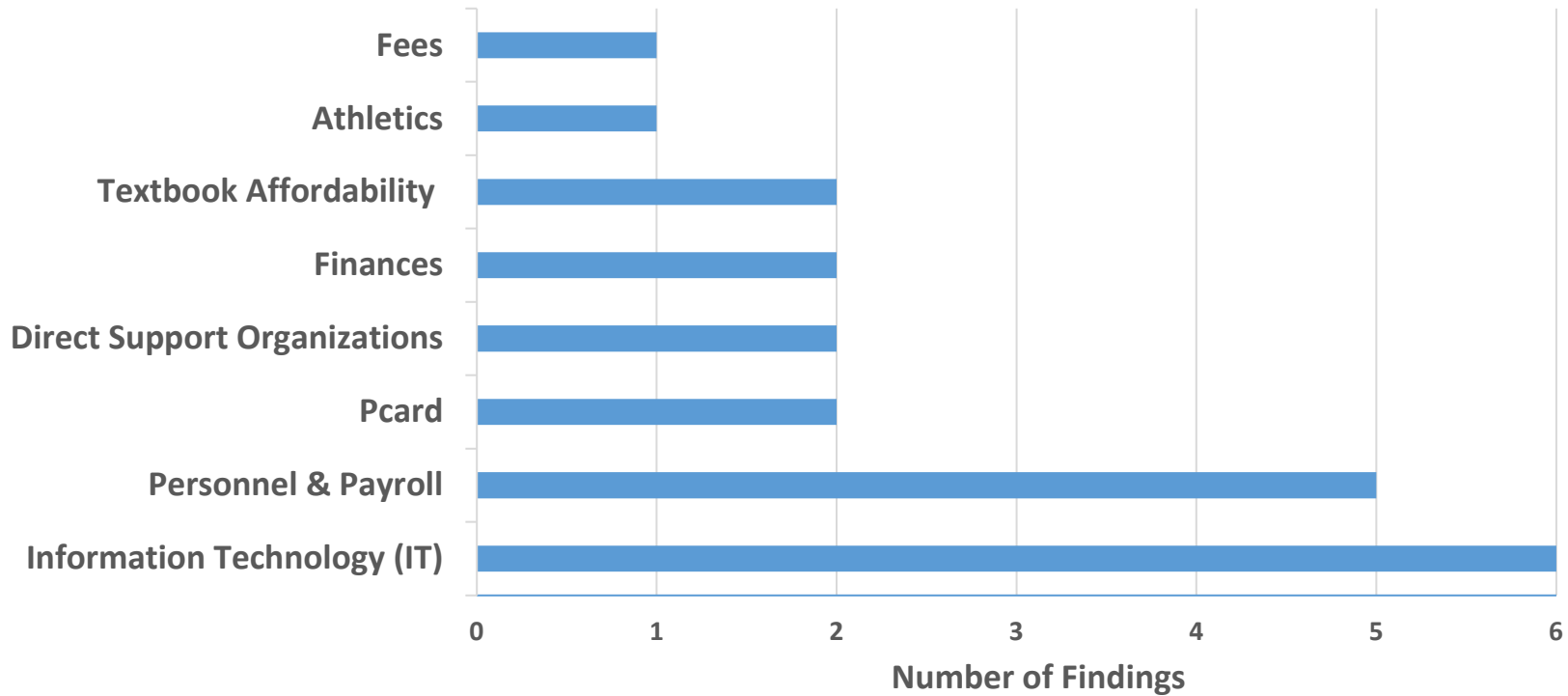
- Athletics
- Accounts Receivable and Revenue Collections
- Contracting and Procurement
- Cash Management
- Construction
- Direct Support Organizations
- Expenses
- Fees
- Grant Management
- Health and Safety
- Information Technology
- Payroll
- Personnel
- Performance-based Funding
- Purchases
- Property
- Textbook Affordability
- Travel
- Tuition



# Auditor General Operational Audits Findings by Category



Operational Audit Report Findings  
(FY 2019-2020)



# Auditor General – Operational Audit Findings



For Violations of Florida Statutes:

*S. 1008.322(3)(b), F.S.: The Chancellor of the State University System shall report to the Board of Governors any findings by the Auditor General that a university is acting without statutory authority or contrary to general law. The Board of Governors shall require the university board of trustees to document compliance with such law.*





## Statutory Violations

### Textbook Affordability [S. 1004.085, F.S.]

State law requires timely posting of required & recommended textbooks and instructional materials.  
[FGCU and FIU]







## Statutory Violations

IT User Access Privileges –  
Student Information  
[S. 119.071(5)(a), F.S.]

State law requires limited access to social security numbers as well as safeguarding their confidentiality.  
[FGCU, FIU, and USF]





## Statutory Violations

### Severance Payments [S. 215.425(4), F.S.]

State law requires that severance pay provided may not exceed an amount greater than 20 weeks of compensation. [FIU, UF, and USF]



# Auditor General – Operational Audits Findings



## Statutory Violations

### Investment Reporting [S. 218.415(15), F.S.]

State law requires that the governmental entity's officials responsible for making investment decisions or chief financial officer shall prepare periodic reports for submission to the legislative and governing body of the unit of local government, which shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date. [FIU]





## Statutory Violations

### Student Fees

[S. 1009.24(14), F.S]

State law authorizes university boards of trustees to establish certain specified user fees, such as orientation and nonrefundable application fees, that are not to exceed the specified limits of \$35 and \$30, respectively.

[UF]





## Northwest Regional Data Center

### Cost Allocation Process (No. 2020-027):

- Service Rates
- Year-end true-up processes and customer account adjustments

### Data Center Operations (No. 2020-054):

- Tracking & Inventory
- Controls





## AG Audit of Major Federal Awards Programs

- No SUS-related audit findings
- All prior audit findings - closed





## Financial Audits and Management Letters, Affiliated Support Organizations

- Direct Support & Health Services Support Organizations [Board Regulations 1.001 & 9.011]
- Faculty Practice Plans [Board Regulation 9.017]
- Self-Insurance Programs & Captive Insurance Companies [Board Regulation 10.001]



# Affiliated Support Organizations



University	Affiliated Support Org.	Material Weakness	Significant Deficiency
UF	Florida Veterinary Medicine Faculty Association		<i>Hospital Revenue Allocation</i> - the practice plan used the incorrect allocation percentage for 11 months out of the year.
USF	Sun Dome, Inc.		<i>Airplane Transactions</i> - information regarding certain airplane transactions were not properly communicated between USF Sun Dome, Inc. and USF's Treasurer's Office to allow for accurate recording of those airplane transactions.







- 10 university athletics programs:
  - 8 as Auxiliary Units
  - 2 as Direct Support Organizations
- all participate in NCAA





## Board Regulation 4.002 (partial):

- Chief Audit Executive (CAE)
- BOT Audit & Compliance Committee
- CAE and committee charters
- Appropriate resourcing, independence, & objectivity
- Appropriate reporting structure
- Timely access to records, data, etc.
- Adhere to professional standards
- Issue internal audit reports



CAE duties include conducting:

- Internal Audits (Performance, IT, & Contract)
- Investigations
- Management Reviews
- Consultations

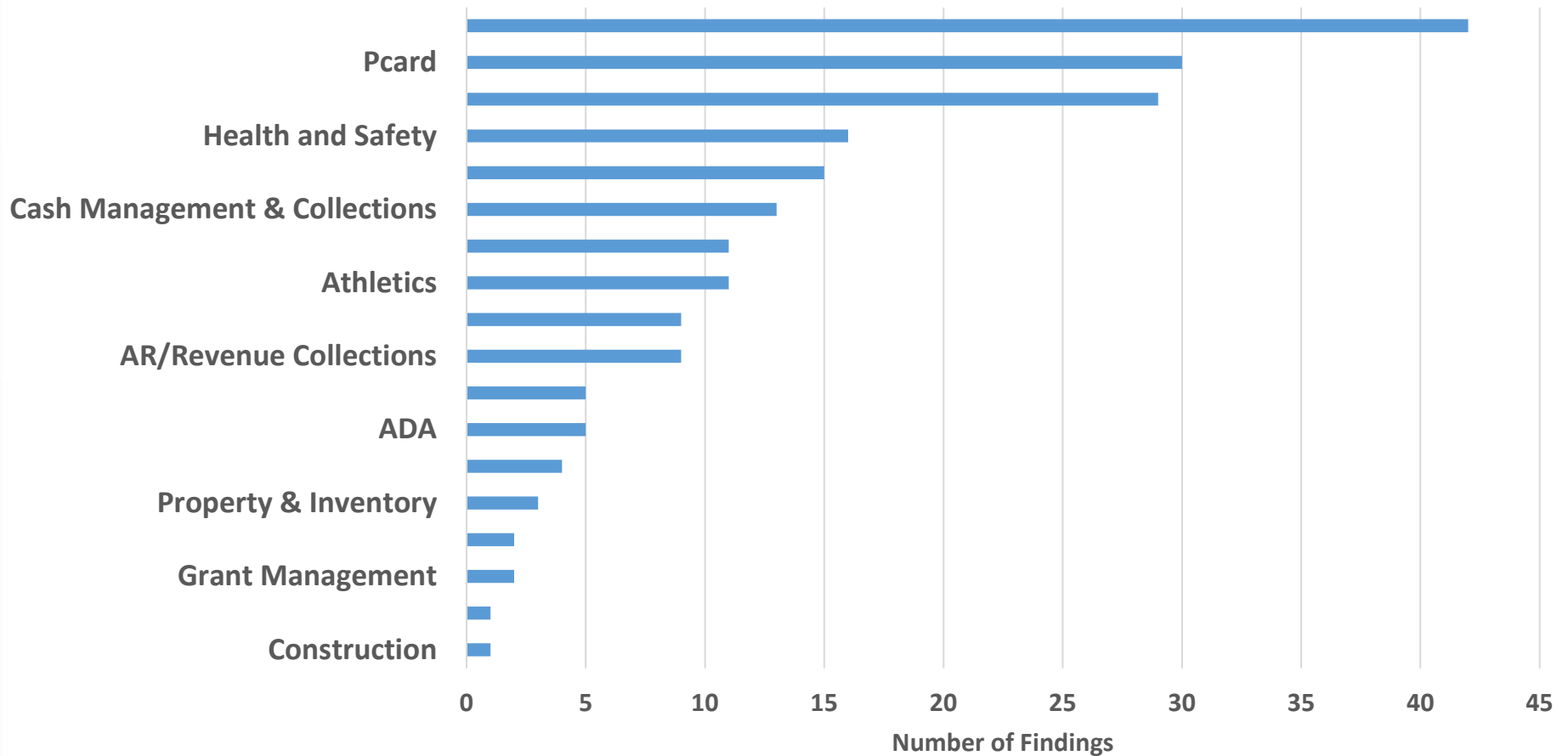
# University CAE Audit Work Plan Topics



- ADA
- Athletics
- Business Affairs
- Client Management
- Data Governance
- Facilities & Construction
- Financial Aid
- Food Services Contracts
- Housing
- Humans & Animals Research
- Human Resources
- Investments
- IT Access & Security Controls
- Key & Building Access
- Laboratory Safety
- Minors on Campus
- NCAA Compliance
- Network Security

- Online Programs
- Parking and Transportation
- Performance-based Funding
- Purchasing Cards
- Recreation
- Scholarships & Awards
- Student ID & Fees
- Student/Vendor Payments
- Support Organizations
- Textbook Affordability
- Third Party Access
- Travel (Executive)
- Tuition, Waivers & Differential
- University Disaster Recovery
- Web Accessibility

# University CAE Audits Findings Categories Received FY 2019-2020





## Top 3 Internal Controls/Compliance Subcategories:

- Policy and Procedures
- Inadequate Documentation
- Access Controls



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