



BOARD *of* GOVERNORS

State University System of Florida

Audit and Compliance Committee

August 28, 2019

www.flbog.edu



STATE UNIVERSITY SYSTEM AUDIT COVERAGE





FLORIDA AUDITOR GENERAL

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 2018-2019

University of Central Florida Financial Audit Report
found:

- Material Weakness:
 - Misuse of E&G funds
- Noncompliance:
 - Misreporting of funding source for construction project





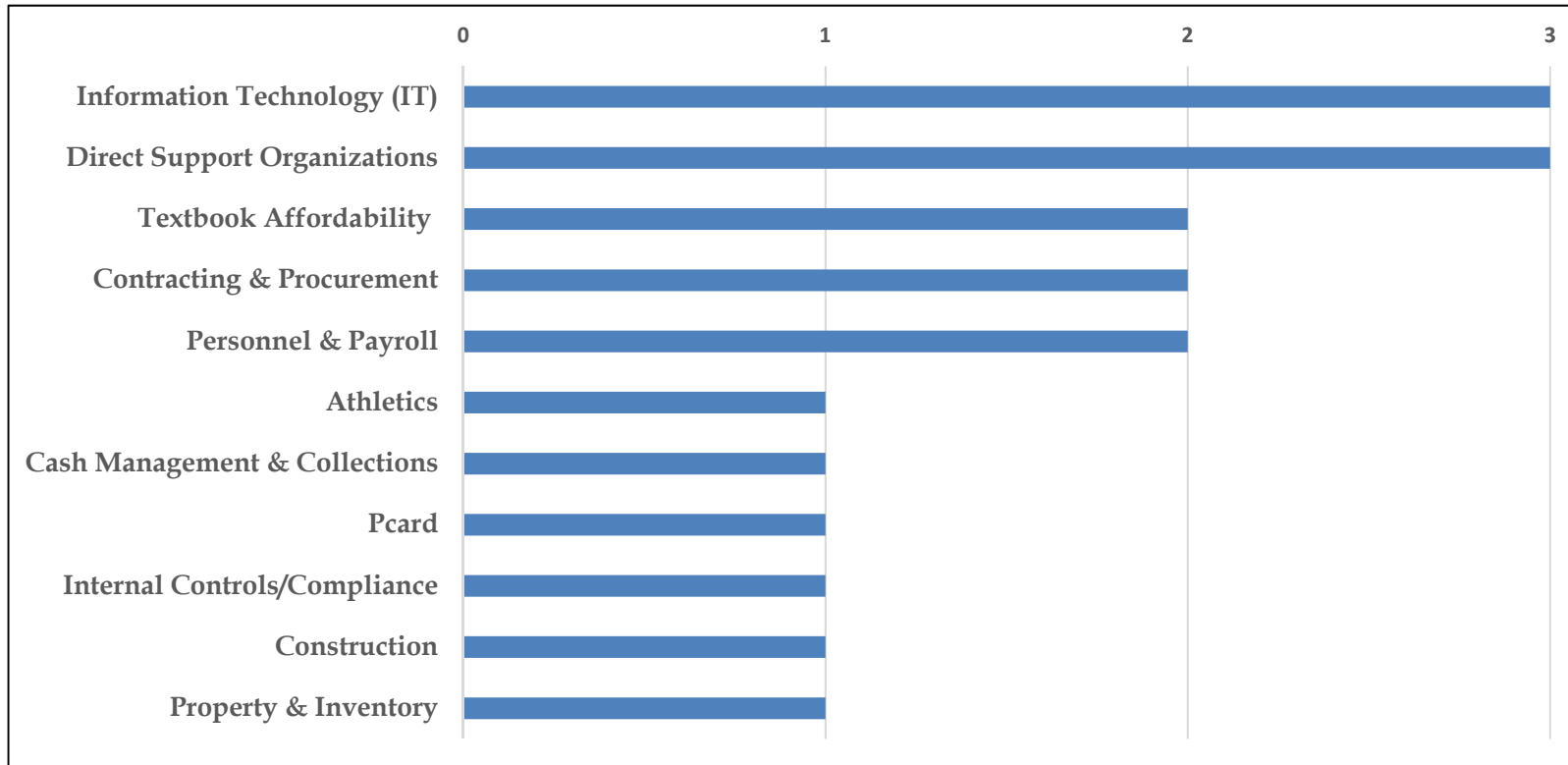
AUDITOR GENERAL OPERATIONAL AUDITS SCOPE

- Annual Property Inventory
- Audit Follow-up/Corrective Actions
- Auxiliary Ops Contract Compliance
- Background Screenings
- Bank Account Reconciliations
- Board and Committee Meetings
- Cash Collection Procedures
- Conflicts of Interest
- Construction Administration
- Direct Support Organizations
- Distance Learning Fees
- Expenditures
- Florida Residency Determination and Tuition
- Fraud Policy and Procedures
- IT Authentication Controls
- IT Disaster Recovery
- IT Security and Access Controls
- Purchasing Card Transactions
- Royalty Fee Contracts
- Severance Pay
- SSN Requirements
- Student Receivables
- Terminal Pay
- Textbook Affordability
- Tuition Differential Fees
- Unencumbered Balances
- Use of E&G Funds





AUDITOR GENERAL OPERATIONAL AUDITS FINDINGS BY CATEGORY (FY 2018-2019)





AUDITOR GENERAL – OPERATIONAL AUDIT FINDINGS

For Violations of Florida Statutes:

S. 1008.322(3)(b) 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.





AUDITOR GENERAL – OPERATIONAL AUDITS FINDINGS

Statutory Violations

Textbook Affordability

[S. 1004.085, F.S.]

- State law requires timely posting of required & recommended textbooks and instructional materials. [FAU and UCF]





AUDITOR GENERAL – OPERATIONAL AUDITS FINDING

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. [FSU]





AUDITOR GENERAL – OPERATIONAL AUDITS FINDINGS

Statutory Violations

Education & General Appropriation Carryforward – Construction Funding

[S. 1013.61 and 1013.78, F.S.]

- Annual Capital Outlay Budget was contrary to Board's Capital Outlay Plan, and expenditures were not legislatively approved for new building construction.
[UCF]





AUDITOR GENERAL – IT OPERATIONAL AUDITS

- IT Operational Audit of NWRDC
 - FSU NWRDC Data Center Operations
- IT Operational Audits of University Apps
 - FL Poly Workday Enterprise Cloud Application
 - UF Oracle PeopleSoft Applications
 - UWF Ellucian Banner Enterprise Resources Planning System





AUDITOR GENERAL – STATEWIDE FEDERAL AWARDS AUDITS

- AG Audit of Major Federal Awards Programs
- Research and Development Cluster – 1 finding related to University of South Florida





INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Financial Audits and Management Letters for Affiliated Support Organizations

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





AFFILIATED SUPPORT ORGANIZATIONS

University	Affiliated Support Org.	Material Weakness	Significant Deficiency
FAMU	Rattler Boosters, Inc.	Bank Reconciliations Supporting Documents	
	Foundation		Recording of Material Change Bad Debts
FAU	Research Corporation	Account Reconciliations and Year-End Closing Procedures (2017-Still Applicable)	
FGCU	Foundation	Unfair Land Value Recording	
NCF	Foundation	Improperly Recorded Net Assets Classifications	





AUDIT COVERAGE: INTERCOLLEGIATE ATHLETICS

	FAMU	FAU	FGCU	FIU	FSU	UCF	UF	UNF	USF	UWF*
Athletics Program Structure Required	AUX	AUX	AUX	AUX	AUX	DSO	DSO	AUX	AUX	AUX
Independent Audit	—	—	—	—	—	✓	✓	—	—	—
Elective Independent Audit	✓	—	—	—	✓	—	—	—	—	✓
NCAA Agreed Upon Procedures	—	✓	✓	✓	—	—	—	✓	✓	✓

* For every three-year period, UWF received an independent financial audit two years, and an NCAA agreed upon procedures one year.





UNIVERSITY CHIEF AUDIT EXECUTIVES

Board of Governors Regulation 4.002 requires (partial list):

- Chief Audit Executive (CAE)
- BOT Audit & Compliance Committee
- CAE and committee charters
- Appropriate resourcing, independence, and objectivity
- Appropriate reporting structure
- Timely access to records, data, etc.
- Adhere to Professional Standards
- Issue Internal Audit Reports

**University
CAEs**



UNIVERSITY CHIEF AUDIT EXECUTIVES

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

**University
CAEs**



UNIVERSITY CAE AUDIT WORK PLANS

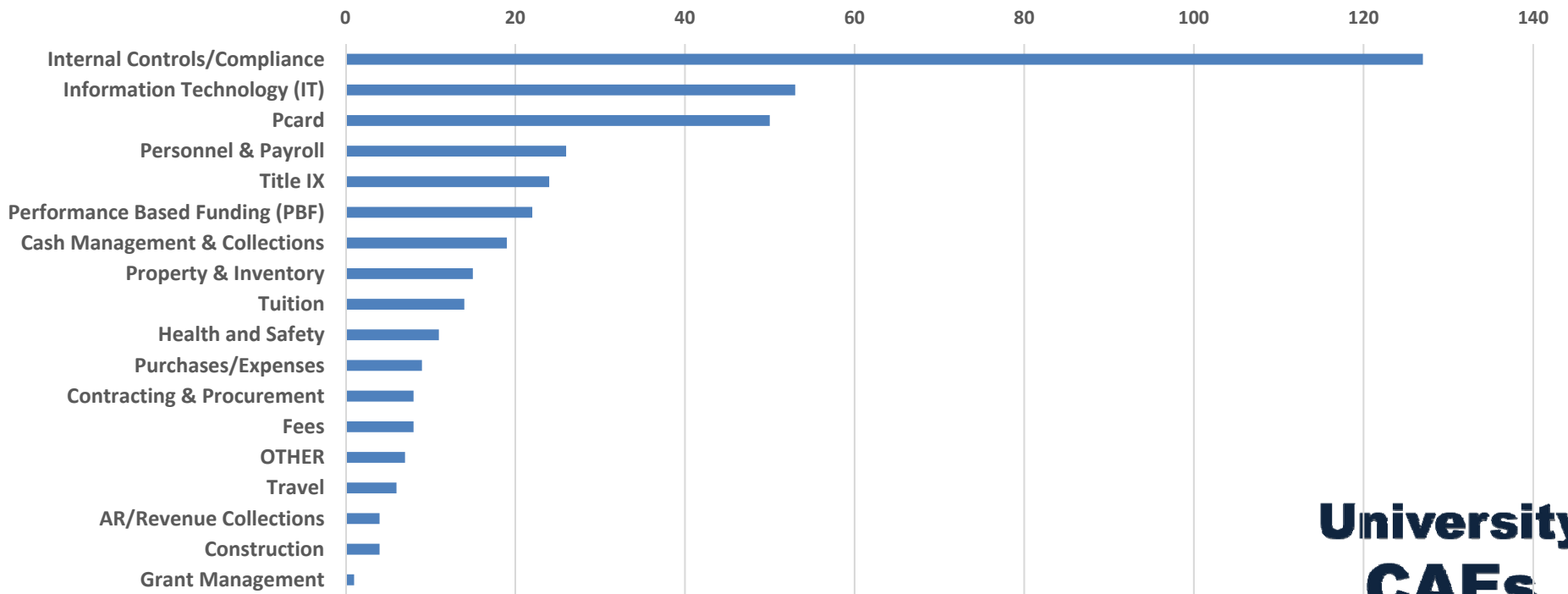
- ADA
- Athletics
- Building Access Controls
- Cash Collections
- Computer Server Management
- Data Governance
- Facilities & Construction
- Financial Aid
- Food Services Contract
- Housing
- Humans & Animals Research
- Human Resources
- Investments
- IT Access & Security Controls
- Key & Building Access
- Laboratory Safety
- Minors on Campus
- NCAA Compliance
- Network Security
- Online Programs
- Parking and Transportation
- Performance-based Funding
- Purchasing Cards
- Recreation
- Scholarships and Awards
- Student ID & Fees
- Student/Vendor Payments
- Support Organizations
- Textbook Affordability
- Third Party Access
- Travel (Executive)
- Tuition, Waivers & Differential
- University Disaster Recovery
- Web Accessibility

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UNIVERSITY CAE AUDITS RECEIVED FY 2018-2019

Internal Audit Findings by Category Total Findings



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AUDIT COVERAGE: INTERNAL CONTROL & IT AUDIT FINDINGS

Top 3 Internal Controls and Information Technology Sub-categories:

- Policies and Procedures
- Inadequate Documentation
- Timeliness

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