



The Florida State University

Office of Inspector General Services

Work Plan 2015-16





THE
FLORIDA STATE
UNIVERSITY

Office of Inspector General Services
Suite 407 Westcott Building
222 South Copeland Street
P.O. Box 3061390
Tallahassee, Florida 32306-1390

September 18, 2015

John E. Thrasher
President
Florida State University
211 Westcott Building
Tallahassee, FL 32306-1470

Dear President Thrasher:

We are presenting, for your approval, the 2015-16 Work Plan for the Office of Inspector General Services. Currently, we are working on several audits started in 2015 and planned for completion in 2016.

Our Work Plan was established based upon a risk assessment, which included soliciting input from the Board of Trustees Finance, Business and Audit Committee Chair, the Provost, the vice presidents, and other key administrators. Our risk assessment included identifying the entire population of the University's auditable units/issues. To help us identify areas for projects, we applied different weighted criteria against those units/issues including identifying areas of the highest risk. Using this priority listing, we then determined what could be accomplished during the year, based upon available personnel resources in the Office. We then assigned estimated hours to each of the areas selected for review.

We appreciate your support and are looking forward to the new fiscal year and to working with faculty and staff to further improve University operations. Thank you.

Respectfully submitted,

Sam M. McCall, Ph.D., CPA, CGFM, CIA, CGAP
Chief Audit Officer

Approved:

John E. Thrasher
President

Date:

Audit Work Plan 2015-16

A.	Audit Projects Carried Forward from 2014-15 Work Plan	<u>Hours</u>	<u>Total</u>
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A.1. In Progress/Not Issued in 2014-15

Seminole Boosters – College Town	140
FSU Police Department Evidence Room	36
Working Capital Trust Fund	540
Campus Solutions – Student Financial Aid	700
College of Arts and Sciences – History Department - Business Practices Enhancement Program	433
University-Wide Courtesy Vehicles	244
Jeanne Clery Act – Annual Security Report	300
Required Filing of Commission on Ethics Form 1 – Statement of Financial Interests	232
University Housing – Cash Collections	540
Florida Medical Practice Plan	360
FSU Athletics Summer Camps	200

Total Hours for Audit Projects Carried Forward from 2015-16 Work Plan	<u>3,725</u>
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B.	New Audit Projects for 2015-16	<u>Hours</u>	<u>Total</u>
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DSOs External Audits – Financial Report Reviews	58
DSO IRS Form 990 Reviews	20
State University System Performance-Based Funding	698
Management of McGladrey Construction Audit of University Housing Replacement Phase II	52
Management of McGladrey Construction Audit of Doak Campbell Stadium Improvements	40
Fraud and Internal Controls Training to University Entities	40
Student Athlete Satisfactory Academic Progress	600

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Capital Projects Broad Scope – EOAS* ¹	244
Athletics – Select NCAA Compliance	500
University Coordination of Response to International Incidents	450
Server Security – Florida Center for Public Affairs	362
Server Security – College of Motion Picture Arts	340
Graduate Student Fee Waivers and Health Insurance Subsidies	500
Follow-up of Consultant Review of Seminole Boosters Internal Controls	68
Follow-up Activities Related to the College of Business Student Investment Fund	50
Title IX	500
Student Tuition and Fees*	444
Business Practices Enhancement Program – John and Mable Ringling Museum of Art*	391
Chemical Inventories*	55

Total Hours for New Audit Projects for 2015-16 **5,412**

C.	Follow-Up Projects for 2015-16	<u>Hours</u>	<u>Total</u>
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Follow-up activities for previously completed audits	205	
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Total Hours for Follow-Up Projects for 2015-16 **205**

D.	Contingency for 2015-16	<u>Hours</u>	<u>Total</u>
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These hours are for new, unplanned projects given priority during the fiscal year.	197	
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Business Practices Enhancement Program – College of Criminology, and Rates Charged to Sponsored Research Contracts and Grants by Specified Scientific Facilities have priority status as audits to begin during fiscal year 2015-16, provided we have unforeseen available hours for them.

Total Hours for Contingency for 2015-16 **197**

¹ We have planned that these four audit projects indicated by an asterisk (*) will be carried over with additional hours and completed in the next fiscal year, 2016-17.

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E.	Investigations for 2015-16	<u>Hours</u>	<u>Total</u>
	This includes ongoing and new investigations that may result from faculty and/or staff requests, Whistleblower complaints, and complaints received from the Ethics Point hotline.	1,142	
	Total hours for Investigations for 2015-16		<u>1,142</u>
	Total Direct Service Hours for 2015-16		<u>10,681</u>

F.	Audit Management and Administration for 2015-16	<u>Hours</u>	<u>Total</u>
	Audit management and administration includes administrative meetings, continuing professional development, and approved employee leave and holidays. It also, for this fiscal year, includes purchase and implementation of audit software and efforts towards accreditation in investigations.	7,095	
	Total Audit Management and Administration		<u>7,095</u>
	Total Hours for 2015-16		<u>17,776</u>

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A. Audit Projects Carried Forward from 2014-15 Work Plan	
A.1. In Progress/Not Issued in 2014-15	
Seminole Boosters - College Town	The scope of this audit is to gain an understanding of the College Town project including: evaluating the role of the University in the project, reviewing contractual agreements to which the University is a party, and identifying and evaluating associated risks.
FSU Police Department – Evidence Room	The scope of this audit is to determine whether criminal evidence is properly accounted for and all transfers, disposals, and other evidence-handling are appropriately documented.
Working Capital Trust Fund	The scope of this audit is to review internal controls associated with charges made to other University departments for labor and materials on service orders for building maintenance and renovation services, and other services provided by the Working Capital Trust Fund Auxiliary.
Campus Solutions – Student Financial Aid	This is anticipated to be a large project--the purpose of which will be to audit the University’s new PeopleSoft Campus Solutions system’s Financial Aid module to determine the accuracy of various scenarios of financial aid awards. FSU’s Office of Financial Aid exists to assist students with securing federal, state, and institutional financial aid to achieve their degrees. Each year, the Office of Financial Aid awards and administers more than \$280 million dollars in financial aid to eligible students. Students receive aid in the form of scholarships, grants, work study employment, and loans—funds that help them focus on their education and complete their degrees. The Office of Inspector General Services began this audit at the end of fiscal year 2014-15 and was requested by the Office of the Provost to postpone it due to diverting resources to address consequences of the rollout of the new Campus Solutions system and also the State of Florida Auditor General simultaneously conducting two audits of the program. We are resuming this audit in fiscal year 2015-16.
Business Practices Enhancement Program – History Department, College of Arts and Sciences	The primary purpose of this audit is to provide History Department and College of Arts and Sciences administrators with assistance in strengthening procedures over cash handling, payroll, purchasing, human resources, inventory, and other facets of their business operations.
University-Wide Courtesy Vehicles	The purpose of this audit is to evaluate courtesy vehicle program policies and procedures, and identify areas for further improvement and considerations for policy changes going forward.
Jeanne Clery Act – Annual Security Report	The “Jeanne Clery Disclosure for Campus Security Policy and Campus Crime Statistics Act” is a federal law that requires institutions of higher education to disclose campus security information, including crime statistics for the campus and surrounding area. The purpose of this audit is to evaluate the

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	University's processes for reporting crime statistics and determine if the University is in compliance with the federal law.
Required Filing of Commission on Ethics Form 1 – Statement of Financial Interests	The purpose of this audit is to determine whether staff and faculty required to file financial disclosures with the Florida Commission on Ethics have been properly identified and have filed the required disclosures.
University Housing – Cash Collections	The purpose of this audit is to determine if the University Housing Department's procedures for cash handling are performed in accordance with the University's cash management policy.
Florida Medical Practice Plan Auxiliary	The purpose of this audit is to evaluate the effectiveness of internal controls over revenues and expenditures in the Florida Medical Practice Plan Auxiliary account.
FSU Athletics Summer Camps	The purpose of this audit is to determine whether action plans provided by management to address findings related to Athletics Summer Camps reported in our OIGS audit #AU11-02, titled The Athletics Department, have been properly implemented.

B. New Audit Projects for 2015-16

DSO External Audits – Financial Reviews	Each University Direct-Support Organization (DSO) is required to provide an annual audit of its accounts and records by an independent certified public accountant in compliance with Section 1004.28(5), Florida Statutes. The purpose of this review is to confirm that University DSOs comply with this statutory requirement and to identify areas of concern in individual DSO audits that may require further attention.
DSO IRS Form 990 Reviews	Each University Direct-Support Organization meeting certain financial criteria is subject to Internal Revenue Service requirements to complete Form 990, "Return of Organization Exempt from Income Tax." The purpose of this review is to confirm that IRS filings have been submitted as required and are consistent with the results of audited financial statements.
State University System Performance-Based Funding	The purpose of this audit, mandated by the State University System of Florida, Board of Governors, is to assess controls that address the topic of data integrity, including a detailed analysis of the processes, procedures, system-based controls, and other data verification measures in place to support the integrity of information presented by the University to the Florida Board of Governors for the University's Performance-Based Funding calculations.
Management of McGladrey Construction Audit of University Housing Replacement Phase II	As of September 10, 2015, the University entered into a contract with McGladrey to conduct a construction audit of two construction projects (University Housing Replacement Phase II and Doak Campbell Stadium Improvements). The OIGS Chief Audit Officer (CAO), Sam McCall, is the University's Contract Manager for both of these audits. As the Contract Manager, the CAO, Sam McCall, is to monitor the activities of McGladrey;

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	<p>receive and review the reports of McGladrey to determine whether the objectives of the contract are being accomplished; receive and review the invoices for payment of funds to assure that the requirements of the contract have been met and that payment is appropriate; evaluate the process used by the contractor to monitor the activities of any subcontractor or assignee, if any; and establish the right for the CAO as the Contract Manager to directly access subcontractors and assignees, if any, as the Contract Manager deems necessary.</p>
<p>Management of McGladrey Construction Audit of Doak Campbell Stadium Improvements</p>	<p>As of September 10, 2015, the University entered into a contract with McGladrey to conduct a construction audit of two construction projects (University Housing Replacement Phase II and Doak Campbell Stadium Improvements). The OIGS Chief Audit Officer (CAO), Sam McCall, is the University’s Contract Manager for both of these audits. As the Contract Manager, the CAO, Sam McCall, is to monitor the activities of McGladrey; receive and review the reports of McGladrey to determine whether the objectives of the contract are being accomplished; receive and review the invoices for payment of funds to assure that the requirements of the contract have been met and that payment is appropriate; evaluate the process used by the contractor to monitor the activities of any subcontractor or assignee, if any; and establish the right for the CAO as the Contract Manager to directly access subcontractors and assignees, if any, as the Contract Manager deems necessary.</p>
<p>Fraud and Internal Controls Training to University Entities</p>	<p>As part of its services to the University community, the Office of Inspector General Services provides training services throughout the University, to include fraud awareness and internal controls.</p>
<p>Student Athlete Satisfactory Academic Progress</p>	<p>The purpose of this audit is to evaluate the Athletics Department’s Academic Performance Program and its compliance with National Collegiate Athletic Association (NCAA) requirements related to this subject area.</p>
<p>Capital Projects Broad Scope – EOAS</p>	<p>The purpose of this audit will be to evaluate the adequacy of controls over the administration of capital construction operations and determine if construction costs on a selected construction project are documented and in compliance with contractual provisions and applicable laws, rules, and regulations. The audit will identify any over-payments, for recovery. The audit entity is the University’s Earth, Ocean, and Atmospheric Sciences Building (EOAS). Based on available hours this fiscal year and the estimated hours needed for completion, we anticipate carrying over this project into fiscal year 2016-17.</p>
<p>Athletics – Select NCAA Compliance</p>	<p>The purpose of this audit will be to evaluate the Athletics Department’s compliance with select operating bylaws set forth in the current NCAA Division I Manual. These areas of NCAA compliance are in addition to other areas addressed by this work plan, such as Student Athlete Satisfactory Academic Progress.</p>

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University Coordination of Response to International Incidents	<p>The purpose of this audit will be to determine if the University has a comprehensive and cohesive administrative response plan to coordinate multiple departmental incident-related services to achieve an efficient and effective response to international incidents impacting students, faculty, and/or staff.</p>
Server Security – Florida Center for Public Affairs	<p>This audit models past server security audit efforts by our Office focusing on the security over servers on campus that are not administered and overseen by the University’s Office of Information Technology Services. The chosen entity is Florida Center for Public Affairs.</p>
Server Security – College of Motion Picture Arts	<p>This audit models past server security audit efforts by our Office focusing on the security over servers on campus that are not administered and overseen by the University’s Office of Information Technology Services. The chosen entity is the College of Motion Picture Arts.</p>
Graduate Student Fee Waivers and Health Insurance Subsidies	<p>The purpose of this audit will be to evaluate the University’s administration and oversight of graduate student fee waivers and health insurance subsidies, in accordance with applicable rules and regulations. Total graduate student fee waivers for the most recent waiver year (summer 2014 through spring 2015) were \$31,543,548 in Matriculation Waivers and \$15,973,826 in Out-of-State Waivers. Total health insurance subsidies for graduate students for the same period were \$2,338,621.</p>
Follow-up of Consultant Review of Seminole Boosters Internal Controls	<p>The purpose of this review will be to evaluate actions taken to correct internal control deficiencies identified by a consultant in a recent report on the Seminole Boosters.</p>
Follow-up Activities Related to the College of Business Student Investment Fund	<p>The purpose of this audit will be to ensure that Student Investment Fund management has implemented internal accounting controls that provide for appropriate stewardship over the Fund’s accounts.</p>
Title IX	<p>The purpose of this audit will be to evaluate the University’s current practices for investigating and resolving reports of sexual assault and to determine if the University is in compliance with Title IX policies and procedures.</p>
Student Tuition and Fees	<p>The purpose of this audit will be to determine whether tuition rates and fees are consistently charged and accurately recorded in the University’s accounting system. Based on available hours this fiscal year and the estimated hours needed for completion, we anticipate carrying over this project into fiscal year 2016-17.</p>
Business Practices Enhancement Program – John and Mable Ringling Museum of Art	<p>The primary purpose of this audit will be to provide University administrators with assistance in strengthening procedures over cash handling, payroll, purchasing, human resources, inventory, and other facets of the John and Mable Ringling Museum of Art’s business operations. Based on available hours this fiscal year and the estimated hours needed for completion, we anticipate</p>

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	carrying over this project into fiscal year 2016-17.
Chemical Inventories	The purpose of this audit will be to provide assurance that hazardous chemical inventories on campus are managed in compliance with state and federal safety regulations. Based on available hours this fiscal year and the estimated hours needed for completion, we anticipate carrying over this project into fiscal year 2016-17.

C. Follow-up Projects for 2015-16

Audit Follow-Up	Follow-up activities on management recommendations are conducted on previously completed audits. Follow-ups are conducted every six months - in February and August.
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