# Finance & Audit Committee Office of Internal Auditing Status Update

## March 12, 2008

The graphs below summarize core direct audit activities (i.e. audits, management advisory services, outstanding audit issues, complaints, etc). The Additional Comments/Activities section on the next page is intended to (1) add clarity to graphical information (2) describe other important audit activities and (3) introduce other topics that require Finance & Audit Committee disclosure/attention.

## Direct Audit Activities Summary[1]

| Audit Status Update | Audits | MAS | Investigations | Other |
|---|---|---|---|---|
| Not Started | 3 | 0 | 0 | 0 |
| In Process | 2 | 2 | 2 | 1 |
| Completed | 0 | 4 | 4 | 0 |
| Rolled Forward | 0 | 0 | 0 | 0 |
| Cancelled | 1 | 0 | 0 | 0 |
| Total | 6 | 6 | 6 | 1 |

| Complaint Disposition | 2008 | 2009 | 2010 |
|---|---|---|---|
| TBD | 0 | 0 | 0 |
| Preliminary Investigation | 1 | 0 | 0 |
| Full Investigation | 1 | 0 | 0 |
| Transferred | 4 | 0 | 0 |
| Total | 6 | 0 | 0 |

### Commentary

- "Other" represents FAMU Task Force involvement
- One MAS represents the Payment Card Industry (PCI) assistance project that replaced the cancelled Purchasing Card Audit.

### Commentary

- Many complaints have been effectively transferred to departments responsible for resolution. The Office of Internal Auditing does, however, follow up with departments to ensure items are resolved.
- One new complaint since last FAC meeting.

| Audit Issue Status | Open | In Process | Resolved | Closed | Risk Accepted |
|---|---|---|---|---|---|
| UNF | 0 | 0 | 0 | 44 | 0 |
| Auditor General | 1 | 0 | 0 | 0 | 0 |
| Department of Ed | 0 | 1 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| Total | 1 | 1 | 0 | 44 | 0 |

### Commentary

- 24 issues closed subsequent to the last Finance & Audit Committee meeting.
- Currently amending the method used to report outstanding issues.

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[1] **Graph Legend On Page 3**

## Direct Audit Activities Detail

| Audit Projects | Status (Start Date – End Date) |
|---|---|
| **Audit Projects** | |
| Accounts Receivable | 04/2008 |
| Courtelis Funds Usage | Not Started |
| Florida Prepaid Program | Not Started |
| P Cards Process | Cancelled |
| Technology Physical & Environmental Controls | 02/2008 – In Process |
| Utilities Cost Allocation | 10/2007 – In Process |
| **Management Advisory Services** | |
| Cashier's Office | Complete |
| Compliance Program | Complete |
| Legal | In Process |
| Parking Services | Complete |
| PCI Compliance | In Process |
| SACS | Complete |

## Additional Comments/Activities

- In accordance with the Institute of Internal Auditor's (IIA) standards on Purpose, Authority & Responsibility and Organizational Independence, we are proposing the following amendments to OIA and FAC activities:

| Standard # and Description | Proposed Action |
|---|---|
| **1000 – Purpose, Authority, and Responsibility** The chief audit executive must periodically review the internal audit charter and present it to senior management and the board for approval. | Develop a process that entails reviewing the OIA and FAC charters each June, making any necessary amendments, and approving both documents. |
| **1110 – Organizational Independence** The chief audit executive must confirm to the board, at least annually, the organizational independence of the internal audit activity. | Develop a process that requires the head of audit to attest, annually and in writing, to the audit department's independence, disclosing any items that may have impaired independence during the audit year. Additionally, there should be a method to report independence impairments as they occur throughout the audit year. |

- We are currently updating the Finance & Audit Committee Charter and the Office of Internal Auditing's Charter.

- In accordance with IIA standards on Proficiency and Continuing Professional Development, we continue to obtain and maintain professional designations/certifications. We recently added the Certified Information Systems Auditor (CISA) and Certified Controls Specialists (CCS) certifications to our list of professional designations (see table to the right).

| Professional Designations | |
|---|---|
| **Certification** | **Count** |
| Certified Internal Auditor (CIA) | 2 |
| Certified Public Accountant (CPA) | 1 |
| Certified Information Systems Auditor (CISA) | 1 |
| Certified Controls Specialist (CCS) | 1 |

- We are beginning 2008/2009 fiscal year audit planning activities which will include (1) distributing questionnaires to various university business functions and scheduling meetings with relevant management personnel and (2) preparing a formal risk assessment in efforts to identify items for inclusion in 2008/2009 audit plan.

| Graph Legend |
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### Audit Status Update

| Field | Definition |
| --- | --- |
| Not Started | The total number of audits not started. |
| In Process | The total number of audits officially in process. |
| Completed | The total number of audits completed in the fiscal year. |
| Rolled Forward | The total number of audits on the current year's plan that will be completed in the subsequent fiscal year or items that were started in the prior year and rolled forward to the current year. |
| Cancelled | The total number of audits cancelled. |

### Audit Issue Status Graph

| Field | Definition |
| --- | --- |
| Open | The item is included in an audit report and to the best of our knowledge there either is not a management action plan or there has been no significant progress towards completion of the management action plan designed to address the issue. |
| In Process | Management has provided some form of evidence indicating that substantial progress has been made to address the issue. |
| Resolved | Management has informed the OIA that the issue presented has been adequately addressed (i.e. the management action plan has been implemented or the issue has been rectified with the implementation of some action plan). Resolved issues are solely based on management's verbal or written statement and do not include independent verification from the OIA. |
| Closed | Management has informed the OIA that appropriate management action plans have been implemented. Additionally, the OIA has performed independent verification to ensure the implemented action plan adequately addresses the reported item. |
| Risk Accepted | The item is one in which an audit issue was disclosed on an audit report, however, business unit management decided that to accept the risk associated with the issue. This may be due to a variety of factors. For example, the cost to address an issue may be more than the benefit derived from correcting the matter (i.e. management would not spend $10,000 to correct a $1,000 problem). |

### Complaint Disposition Graph

| Field | Definition |
| --- | --- |
| TBD | The complaint is fairly new and it has yet to be determined how the situation will be resolved. |
| Preliminary Investigation | The OIA performed a preliminary investigation and determined that there was not sufficient evidence to proceed with an investigation. |
| Full Investigation | The OIA performed a full investigation on the complaint. |
| Transferred | The OIA transferred the responsibility for complaint resolution to another department (i.e. Human Resources should resolve HR related issues, etc). |