



Item: AF: I-4E

AUDIT AND FINANCE COMMITTEE

Wednesday, October 24, 2007

**SUBJECT: REVIEW OF AUDITS: SUMMARY OF FOLLOW-UP AUDIT
RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING
THE PERIOD OCTOBER 1, 2006 THROUGH JUNE 30, 2007.**

PROPOSED BOARD ACTION

Information only.

BACKGROUND INFORMATION

The Office of Inspector General performs follow-up procedures for all outstanding audit recommendations on a regular basis. For the nine-month period ended June 30, 2007, we reviewed a total of 45 audit recommendations resulting in the following conclusions:

- 24 recommendations were deemed to be fully implemented;
- 16 recommendations were partially implemented; and,
- 5 recommendations were not implemented.

We have obtained new expected implementation dates from the auditees responsible for all partially implemented and not implemented recommendations. These recommendations will be subject to additional follow-up in the future.

IMPLEMENTATION PLAN/DATE

Various.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: Schedule of Follow-Up Audit Recommendations.

Presented by: Mr. Morley Barnett, Inspector General

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FAU-OIG
SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS
SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF 10/01/06 – 06/30/07

IMPLEMENTED (24)							
AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Personnel Services	FAU05/06-2	1.1	Incomplete/Unlocated Documentation for Newly-Hired Employees	El pagnier Hudson	Dr. Ken Jessell	N/A	N/A
Personnel Services	FAU05/06-2	2.1	Inconsistent Compliance with Established Performance Appraisal Policies and Procedures for A&P and USPS Employees	El pagnier Hudson	Dr. Ken Jessell	N/A	N/A
Personnel Services	FAU05/06-2	3.1	Incomplete/Unlocated Documentation for Terminated Employees	El pagnier Hudson	Dr. Ken Jessell	N/A	N/A
Personnel Services	FAU05/06-2	3.2	Lack of Formal Written Procedures for Employee Terminations	El pagnier Hudson	Dr. Ken Jessell	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	1	Untimely Review and Deposit of Daily Money Collections - Ft. Lauderdale Cashier's Office	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	2	Lack of Mail & Drop-Box Logs - Ft. Lauderdale Cashier's Office	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	3	Accounting for Cash Shortages/Overages - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	6	Ineffective Brinks Courier Authorization Procedures - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	8	Lack of Employee Key & Combination Assignment Logs - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	9	Lack of Periodic Surprise Cash Counts of Operating Change Funds by Management - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	10	Inadequate Testing of Alarm Systems - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Broward Cashier's Offices	FAU06/07-1	11	Infrequent Staff Reviews of Security Procedures - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	N/A	N/A
Federal Awards	AG07-146	84	Cash Management – Prohibition on Escheating of Title IV Higher Education Act (HEA) Funds	Stacey Semmel	Dr. Ken Jessell	N/A	N/A
Federal Awards	AG07-146	96	Special Tests and Provisions – Return of Title IV HEA Funds – Unofficial Withdrawals	Carole Pfeilsticker	Dr. Michael Armstrong	N/A	N/A

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IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Bank Account Reconciliations	FAU04/05-3	5	Deficiencies Pertaining to Reconciling Items on Reconciliation of Athletic Petty Cash Bank Account	Michael Boele	Craig Angelos	N/A	N/A
Bank Account Reconciliations	FAU04/05-3	6	Lack of Written Procedures for Reconciliation Process for Athletic Petty Cash Bank Account	Michael Boele	Craig Angelos	N/A	N/A
Traffic and Parking Services	FAU06/07-2	1.2	Refunds of Over-the-Counter Credit Card Payments	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	1.3	Incomplete Supporting Documentation for Parking Permits Issued	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	2.1	Inadequate Security for Asset Storage Areas	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	2.2	Lack of Periodic Staff Reviews of Security Procedures	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	3.1	Inadequate Accountability for Delivery of Money Deposits to Central Cashier's Office	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	3.2	Lack of Documentation for Periodic Cash Counts of Reserve Change Fund	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	3.7	Lack of Employee Key & Combination Assignment Logs	Judy Ferris	Dr. Ken Jessell	N/A	N/A
Travel	FAU05/06-3	3	Travel Advance Documentation & Compliance Deficiencies	Stacey Semmel	Dr. Ken Jessell	N/A	N/A

PARTIALLY IMPLEMENTED (16)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Personnel Services	FAU05-06-2	1.2	Lack of Verification of Education & Prior Work Experience for Newly-Hired Employees	El pagnier Hudson	Dr. Ken Jessell	Verification of the effectiveness of the revised education and prior work experience processes for newly-hired employees.	9/28/07

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PARTIALLY IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Federal Awards	AG07-146	18	Schedule of Expenditures of Federal Awards (SEFA)	Edwin Bommel	Dr. Larry Lemanski	Procedures had not been developed to ensure timely submission of the SEFA, and to ensure that information on the SEFA is complete, accurate, and supported by the accounting records.	12/31/07
Physical Plant	FAU04/05-5	1	Need for Desktop Physical Plant Operations Manual	John Singer	Tom Donaudy	Not all of the procedures documenting fundamental issues pertaining to Physical Plant operations have been established.	9/28/07
Athletics Ticket Revenue	FAU04/05-6	1.2	Inadequate Documentation of Receipt of Complimentary Tickets	Michael Boele	Craig Angelos	All persons who receive complimentary tickets, via pick-up at the ticket office or will call window, are not signing an appropriate control document to acknowledge the receipt of the tickets.	09/28/07
Athletics Ticket Revenue	FAU04/05-6	1.4	Lack of Supervisory Approval and Proper Back-Up Documentation for Exception Transactions Processed by Ticket Sellers	Michael Boele	Craig Angelos	A form to identify voids and refunds is in the process of being developed.	08/01/07
Athletics Ticket Revenue	FAU04/05-6	3.4	Incomplete Documentation and Accountability for End-of-Shift Balancing of Daily Money Collections of Ticket Sellers	Michael Boele	Craig Angelos	The end-of-shift balancing of the non-monetary ticketing transactions processed by the ticket sellers was still not documented on the <i>Ticket Seller's Daily Collections Receipt Report</i> .	12/31/07
Athletics Ticket Revenue	FAU04/05-6	3.6	Untimely Periodic Reconciliations of Money Deposit Records	Michael Boele	Craig Angelos	Documented reconciliations of the ticket office's money deposit records to the <i>Organizational Detail Activity</i> reports and validated bank deposit slips are still not being performed by an employee independent of payment handling and processing. Also, the reconciliation frequency is still not adequate.	12/31/07

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PARTIALLY IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Athletics Ticket Revenue	FAU04/05-6	3.8	Inadequate Accountability for Game-Day Ticket Sales	Michael Boele	Craig Angelos	A <i>Game-Day Ticket Reconciliation Worksheet</i> is still not being used to document the reconciliation process to ensure that all money collected from game-day ticket sales was posted to the TM Archtics system.	08/01/07
Central Cashier's Office	FAU05/06-5	2	Inadequate Segregation of Conflicting Duties	Stacey Semmel	Dr. Ken Jessell	Management indicated that SIS access for all cashier personnel would be reviewed again when Banner for Students is implemented. Banner for Students is scheduled to be implemented in November 2007.	11/30/07
Broward Cashier's Offices	FAU06/07-1	4	Inadequate Accountability for Parking Decals/Permits Purchased via Deferred Payment Arrangements - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	The Broward cashier's offices have fulfilled their obligation and will not be held formally responsible for taking any further corrective actions toward implementation of this recommendation. Traffic & Parking is currently responsible for posting parking permits purchased via an Expenditure Transfer Form (ETF) to the BOSSCARS system. Testwork to be performed at a later date on parking decals/permits purchased at the Broward cashier's offices via deferred payment arrangements (i.e., employee payroll deduction and ETF) to ensure that all decals are being posted to BOSSCARS and paid for by the employees/departments.	12/31/07
Broward Cashier's Offices	FAU06/07-1	5	Inadequate Segregation of Conflicting Duties - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	Management indicated that SIS access for all cashier personnel would be reviewed again when Banner for Students is implemented. Banner for Students is scheduled to be implemented in November 2007.	11/30/07

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Broward Cashier's Offices	FAU06/07-1	7	Inadequate Physical Security of Negotiable Assets - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	Management indicated that the interchangeable cash drawer key situation would be corrected with the implementation of the TouchNet cashiering system. The TouchNet cashiering system is scheduled to be implemented in November 2007.	11/30/07
Broward Cashier's Offices	FAU06/07-1	12	Inventory Control Weaknesses for Parking Decals/Permits Issued/Sold - Davie & Ft. Lauderdale Cashier's Offices	Idiculla John	Dr. Joyanne Stephens	The inventory control logs for the temporary and prepaid parking permit types maintained by the Ft. Lauderdale cashier's office were not properly completed.	10/30/07
Traffic and Parking Services	FAU06/07-2	3.3	Untimely/Undocumented Periodic Reconciliations of Web Credit Card Payments	Judy Ferris	Dr. Ken Jessell	The reconciliations were not documented on appropriate reconciliation forms; as such, we were unable to verify that all Web credit card payments/refunds on the <i>Credit Card Batch Detail Reports</i> were reconciled to the BOSSCARS accounts of customers. In addition, the <i>Verification of Web Credit Card Payments</i> procedure did not require all Web credit card payments on the Touchnet Payment Gateway (TPG) system report be reconciled to the BOSSCARS accounts of customers.	08/31/07
Traffic and Parking Services	FAU06/07-2	3.8	Inventory Control Weaknesses for Reserve Supplies of Parking Permits	Judy Ferris	Dr. Ken Jessell	T&P is still not performing periodic documented inventories of its reserve supplies of unissued parking permits.	08/31/07
Travel	FAU05/06-3	4	Inadequate Centralized Monitoring of Outstanding Travel Advances	Stacey Semmel	Dr. Ken Jessell	Travel advances are still not being booked as receivables. Management indicated that the advances would continue to be reconciled to the TARs until Banner for Students is implemented. Banner for Students is scheduled to be implemented in November 2007.	12/31/07

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NOT IMPLEMENTED (5)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE`	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Personnel Services	FAU05-06-2	2.2	Incorrectly Calculated Fiscal Year 2005/06 Legislative Pay Increase	El pagnier Hudson	Dr. Ken Jessell	Supervisory approval of the repayment plan for the salary overpayment of one employee.	9/28/07
Federal Awards	AG07-146	104	Allowable Costs/Cost Principles - Cost Accounting Standards (CAS) Exemptions	Edwin Bommel	Dr. Larry Lemanski	There was no documentation to indicate that the cognizant agency, U.S. Department of Health and Human Services (USDHHS), and the Division of Cost Allocation had been contacted to seek their opinion regarding CAS exemptions that meet the criteria for "unlike circumstances".	12/31/07
Athletics Ticket Revenue	FAU04/05-6	1.1	Incomplete Customer Phone/Mail/Fax Ticket Order Forms	Michael Boele	Craig Angelos	The disposition of the tickets ordered via phone/mail/fax is not indicated on the ticket order forms, the TM Archtics <i>Batch-Details</i> reports, or the comments screen on the TM-Archtics system.	09/28/07
Athletics Ticket Revenue	FAU04/05-6	3.7	Non-Verification of Employee Payroll Deductions for Football Season Ticket Purchases	Michael Boele	Craig Angelos	Management is not obtaining the <i>Deduction Register Report</i> from the Banner HR system to reconcile the dollar amounts listed on employee payroll deduction ticket order forms completed for the purchase of football season tickets.	12/31/07
Traffic and Parking Services	FAU06/07-2	1.1	Untimely/Undocumented Supervisory Review of Daily Money Collections	Judy Ferris	Dr. Ken Jessell	Daily money collections of T&P's cashiers continue to be reviewed by a supervisor or supervisor's designee less frequently than required by established procedures. Departmental staffing being evaluated based on this requirement and other considerations.	11/30/07