



Item: AF: I-3

AUDIT AND FINANCE COMMITTEE
Tuesday, May 17, 2016

SUBJECT: REVIEW OF SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF JULY 1 THROUGH DECEMBER 31, 2015.

PROPOSED COMMITTEE 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 six months ended December 31, 2015, we reviewed a total of seventeen audit recommendations resulting in the following conclusions:

- § Seven recommendations were found to be fully implemented; and
- § Ten recommendations had been partially implemented

We have obtained new expected implementation dates from the auditees responsible for recommendations not found to be fully implemented. Recommendations found to be partially implemented will be subject to additional follow-up at the appropriate time.

IMPLEMENTATION PLAN/DATE

N/A.

FISCAL IMPLICATIONS

N/A.

Supporting Documentation: OIG Schedule of Follow-up on 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 7/1 - 12/31/15

IMPLEMENTED (7)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
NCAA Compliance – Financial Aid	FAU11/12-3	1	Improvements Needed in the Overall Accuracy and Efficiency of Student-Athlete Scholarship Disbursement Process	Brian Battle / Tracy Boulukos	Patrick Chun / Dr. Michele Hawkins	N/A	N/A
Housing and Residential Life	FAU12/13-4	4	Lack of Training Session Logs	Tracy Cunningham	Dr. Corey King	N/A	N/A
Karen Slattery Educational Research Center	FAU13/14-4	1	Money Control Deficiencies	Lydia Bartram	Dr. Joel Herbst	N/A	N/A
NCAA Compliance – Sports Camps & Clinics	FAU14/15-4	1	Out-Dated Policies & Procedures	Brian Battle	Patrick Chun	N/A	N/A
Market-Rate Tuition Programs	FAU14/15-5	1	Money Control Deficiencies	Vegar Wiik	Dr. Ken Johnson	N/A	N/A
Market-Rate Tuition Programs	FAU14/15-5	2	Need to Document Assignment of Security Code to Office Safe	Vegar Wiik	Dr. Ken Johnson	N/A	N/A
Graduate Admissions	FAU14/15-6	3	Enhancement of Written Security Procedures	Dr. Deborah Floyd	Dr. Gary Perry	N/A	N/A

PARTIALLY IMPLEMENTED (10)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Faculty Activity Reporting	FAU13/14-3	1	Need for Consistent Use of FAIR System	Dr. Diane Alperin	Dr. Gary Perry	The OIG needs to perform compliance testing to determine that: 1) Faculty instructional and non-instructional activities reported in the university's annual Instruction and Research Data File (IRDF) for the 2015/16 reporting period agreed to appropriate manual records and/or electronic supporting documentation from the FAIR and Banner/Workday systems; and 2) Annual performance evaluations are signed by both the faculty member and the supervisor performing the evaluation.	10/31/16

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PARTIALLY IMPLEMENTED (10) – continued

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Travel	FAU13/14-5	2	Travel Transaction Documentation Deficiencies	Jessica Cohen	Stacey Semmel	Management needs to ensure that all Spend Authorizations (SAs) are submitted and fully approved no later than five days prior to the commencement of travel.	7/1/16
Human Resources – New Hires	FAU14/15-1	1	New Hire Documentation Deficiencies - PeopleAdmin	Dave Tomanio	Dorothy Russell	Due to the workload associated with the new Workday HCM system, management had requested deferral of compliance testing of new employee records to determine if verifications of relevant prior employment is being conducted on all hires made through the PeopleAdmin talent management system (PA) and indicated in the “Notes” section of PA.	7/1/16
Human Resources – New Hires	FAU14/15-1	2	New Hire Documentation Deficiencies - Workday	Dave Tomanio	Dorothy Russell	Due to the workload associated with the new Workday HCM system, management had requested deferral of compliance testing of new employee records for improvement relating to the timeliness and/or proper completion of certain requisite documents and procedural actions.	7/1/16
NCAA Compliance – Sports Camps & Clinics	FAU14/15-4	2	Documentation & Procedural Deficiencies	Brian Battle	Patrick Chun	Management needs to ensure: 1) The <i>FAU Report of Outside Employment or Professional Activity for FAU Employees</i> , and, where applicable, <i>University Equipment, Facilities and Services</i> and/or <i>FAU Report of Specified Interest</i> forms, are completed at the beginning of each contractual year of employment by all Athletics Department full-time (FAU) employees engaged in outside activities or holding a financial interest that must be reported; and, 2) All FAU pre-collegiate sports camps/clinics staff members who have independent unsupervised access to children under the age of 18 complete a level 2 background check prior to the start of the camp/clinic.	7/1/16

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NCAA Compliance – Sports Camps & Clinics	FAU14/15-4	2.1	Documentation & Procedural Deficiencies – Child Abuse and Neglect Prevention Training	Brian Battle	Patrick Chun	Management needs to ensure that all FAU pre-collegiate sports camps/clinics staff members who have independent unsupervised access to children under the age of 18 are trained in Child Abuse and Neglect Prevention prior to the start of the camp/clinic.	7/1/16
NCAA Compliance – Sports Camps & Clinics	FAU14/15-4	3	Inadequate Accountability for Athletic Facility Rental Fees	Brian Battle	Patrick Chun	Management needs to ensure: 1) Segregation of the duties of invoice preparation and mailing, and update of customer's records, from the duties of money-handling and logging; 2) All owners/operators of the sports camps/clinics pay their facility rental fees in accordance with the contractual documents; and, 3) The Unrelated Business Income Tax (UBIT) report for fiscal year 2015-16 shows the revenue collected for all institutional sports camps/clinics independently owned or operated by Athletics Department staff members (via their for-profit limited liability companies) held during fall 2015.	7/1/16
NCAA Compliance – Sports Camps & Clinics	FAU14/15-4	3.1	Inadequate Accountability for Athletic Facility Rental Fees – State Sales Tax	Brian Battle	Patrick Chun	Management needs to ensure that the state sales tax collected is 6% of the total rental fees due, and the collected sales tax is posted to the Workday Suspense – Sales Tax Collections (F0164) fund as required by university policy.	7/1/16

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Graduate Admissions	FAU14/15-6	1	Money Collections Control Weaknesses	Dr. Deborah Floyd	Dr. Gary Perry	Management needs to ensure: 1) The money collections log indicates the review date and initials of the reviewing supervisor documenting his/her verification that the payments have been deposited with the central cashier's office; 2) The duty of update of applicants' records on <i>Banner Student</i> is segregated from the duty of money handling; 3) Cash/check/money order deposits are delivered to the central cashier's office within three business days of receipt by the Graduate College (GC) as required by established university practice; and, 4) Monthly reconciliations of the <i>Departmental Bulk Deposit</i> forms (for cash/checks/money orders) to the Workday Finance transactions reports are performed and documented (signature/initials and date) by two GC employees, or one GC employee who is independent of money handling and processing.	9/1/16
Graduate Admissions	FAU14/15-6	2	Improvement Needed in Accountability for Employee Key/Code/Combination Assignments	Dr. Deborah Floyd	Dr. Gary Perry	Management needs to ensure that individual key/code/combination control logs are established and maintained for each employee with assigned access to the GC and/or its departmental safe.	9/1/16