FLORIDA STATE UNIVERSITY

Office of Inspector General Services

Annual Report

2015-2016
Office of Inspector General Services

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Albert A Murphree, President 1897-1909

Message from the Chief Audit Officer (CAO)

This Annual Report of the Office of Inspector General Services (OIGS) summarizes audit and investigative efforts for fiscal year 2015-16. During the year, staff worked very diligently to issue audit, management assistance, and investigation reports important to University operations.

We issued 11 reports, including seven audit reports, one management assistance report, one investigative report, and two six-month follow up reports. Our comprehensive follow-up reports are performed twice each year to show management’s level of implementation of recommendations made in previously issued reports. For our latest six-month follow-up report, over 84 percent of previously identified issues had been either fully implemented or partially implemented. During the year, we also processed 29 investigative inquiries. By issuing reports that are fair and objective, by management taking actions to address areas for improvement, and by following up to validate the actions taken, we are making every effort to demonstrate accountability.

Of significance, during the year, we issued our second Performance-Based Funding Audit, as required by the State University System Board of Governors (BOG). In doing so, President Thrasher, the Board of Trustees (BOT), and the BOG have independent assurance that data submitted to the BOG by Florida State University are valid and reliable. In addition, during the year, the OIGS provided significant support to the U.S. Secret Service and the Office of the U.S. Attorney in a criminal investigation of actions by a former faculty member to move Direct Support Organization (DSO) funds to his personal investment company without authority. One of our OIGS Directors provided federal assistance by documenting the faculty member’s unauthorized actions and by providing testimony in court. In addition, the Chief Audit Officer issued a management assistance report that addressed University lack of oversight and accountability for the removed funds, as well as for the issued financial statements and related independent audit reports. As a result of these efforts and support from President Thrasher, the BOT, and the newly appointed Dean of the College of Business, a clear message has been sent as to the level of accountability expected in the operation of all University DSOs and their respective Boards.

The goal of the OIGS is to be seen as essential to the successful operation of University programs, activities, and functions, and to provide a comprehensive program of internal auditing that adds value and assists management in the accomplishment of organizational goals and objectives. We are mindful of the need to conduct independent, objective, and unbiased audits and investigations of alleged fraud and/or abuse identified by us or brought to our attention by others.

One staff change has occurred since the issuance of our 2014-15 Annual Report. As a result of a staff person relocating during the year, we are very pleased to welcome Debra Arrant to the Office and the University. Debra has several years of investigative experience in State government and is a welcomed addition to our Office. We plan to take full advantage of her investigative knowledge, skills, and abilities. With this recent addition, the Office is again fully staffed. With the education, certifications, and experience of current staff, we are well positioned to review financial, operational, programmatic, and investigative issues, and to meet the challenges and opportunities that lie ahead.

Looking back on the year, I had the pleasure and honor of working with President Thrasher and
the Board of Trustees. During the year, with the assistance of the previous Audit Committee Chairman Mark Hillis and the current Chairman Joe Gruters, we developed a charter for the Board of Trustees Finance, Business, and Audit Committee, and updated the audit charter for the Office. In addition, during the year, the Board of Trustees approved revisions to FSU Regulation 2.025 relating to acquiring external audit services for DSOs.

Since November of 2014, I have had the honor of serving President John E. Thrasher. I look forward to being a contributing part of his administration and supporting his vision for the University. We will add value in providing assurance and consulting services for current programs, and for new programs and priorities identified by the President.

It is an honor to serve President Thrasher, the Finance, Business, and Audit Committee, the Board of Trustees, students, and the University. The Office of Inspector General Services values the trust placed in us by the President and Board of Trustees, and we will work toward meeting expectations in the 2016-17 fiscal year. The 2016-17 Annual Work Plan recommended by the President and formally approved by the Board of Trustees is shown at the end of this Annual Report.

Sam M. McCall, PhD, CPA, CGMA, CGFM, CIA, CGAP, CIG

Authority for the Office

The Florida State University President and Board of Trustees initially approved a charter for the Office of Audit Services (OAS) in September 2003. Subsequently, in November 2012, the President approved changing the name of the OAS to the Office of Inspector General Services.

Purpose, Mission, and Vision

Purpose

Internal auditing at Florida State University is an independent, objective assurance and consulting activity designed to add value and improve University operations. It helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Office also performs investigations of alleged fraud, waste, abuse, or other allegations of wrongdoing, which could result in the loss or misuse of University resources. Such allegations may come to the attention of the Office during the audit process or through reporting by University faculty, staff, students, or the general public.

Mission

The OIGS’ mission is to provide an independent, objective, and comprehensive program of auditing and investigating University operations; to advance accountability through the provision of assurance and consulting services and investigations; and to actively work with University Boards and Committees, management, faculty, and staff in identifying risks, evaluating controls, and making

Westcott Stairs
recommendations that promote economical, efficient, effective, equitable, and ethical delivery of services.

The OIGS, headed by the Chief Audit Officer, provides a central point for coordinating and carrying out activities that promote accountability, integrity, and objectivity.

Vision

The Office of Inspector General Service’s vision is to be an exemplary professional audit and investigative organization that adds value, promotes accountability, fosters transparency and understanding, and is viewed by the University as essential to the proper functioning of University controls and operations.

Audits

Internal audits are conducted in conformance with The International Standards for the Professional Practice of Internal Auditing. The audits are carried out in accordance with an Annual Work Plan approved by the President and the Board of Trustees. The OIGS takes a facilitative approach to our audits by actively engaging with our University colleagues in developing action plans in response to audit observations.

The following audits were on our Annual Work Plan and were completed during 2015-16. Many of the resulting planned actions either have been implemented or significant progress on them has been made.

For a more thorough understanding of each audit, please contact the OIGS and request the full report.

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The purpose of our audit of the Florida State University Police Department’s (FSUPD’s) Property and Evidence (P&E) Operation was to determine whether there were adequate controls over items of property and evidence in custody of the FSUPD and to identify opportunities for improvement.

Our audit found physical security over inventory and organizational placement, training, and supervision to be adequate. We also found property and evidence staff and supervision to be competent in their positions. The FSUPD continues to meet accreditation standards, which include several standards applicable to P&E Operations. However, we concluded adequate accountability for and control over FSUPD’s property and evidence is not currently attainable, as its police records system is not designed to serve as a tool for property and evidence inventory management or control.

Specifically, our objectives were to determine whether:

1) The P&E Operation is properly placed in the organization and P&E staff is properly trained and adequately supervised;

2) Property and evidence reported as being collected by FSUPD Officers are submitted to the P&E Room;

3) Policies and procedures are complete and support an adequate system of internal controls;

4) The Spillman police records system provides tools for adequate property and evidence inventory management and control;

5) Comprehensive P&E Room inventories have been conducted;

6) Property disposition has been handled in accordance with law and rule, and is conducted in a timely manner; and

7) Property and evidence are safely stored and adequately safeguarded from loss, theft, or other mishandling.

We also conducted a limited review of the P&E Operation at the FSUPD’s Panama City Campus to determine whether controls appear to be adequate.

Our conclusions were:

**Organization Controls**

- The P&E Operation is properly placed in the FSUPD and the organization provides for adequate supervision.
- The P&E Technician has received proper training for this position and has been supported with the opportunity to attend additional continuing education.
- The FSUPD could improve its control over controlled substances held in its custody by establishing procedures to conduct periodic drug testing for personnel assigned to the P&E Room.
**Property and Evidence Submission**
- Based on a sample of incident reports, we concluded that property and evidence items reported by FSUPD Officers in case records were submitted to the P&E Room.

**Internal Controls**
- The FSUPD has comprehensive policies related to handling property and evidence, including procedures for the intake and storage of property. However, written procedures related to the disposal of property and evidence should be developed.
- The FSUPD should develop written documentation to evidence that only the controlled substances approved for disposal pursuant to court order are disposed.
- Documentation supporting the final disposition of property and evidence should be consistent and readily available.
- While the FSUPD reported that disposals of controlled substances pursuant to court order are witnessed by a second officer independent of the P&E Room, evidence of that witness should be, but is not documented. The disposal of other items of evidentiary or financial value should also be witnessed and documented.

**Property and Evidence Information System**
- While the FSUPD captures P&E chain of custody and location information in its Spillman police records system, the software is designed to track evidence by individual item and is not designed to serve as a tool for property and evidence inventory management or control.
- The P&E Operation captures information using the Spillman system and on individual paper Property Receipts, but this information does not comprise a system that would allow the FSUPD to implement an adequate segregation of duties to protect property and evidence from misappropriation.
- Information on property and evidence that was taken into custody before the Spillman system was implemented in 2007 is stored as data in a separate software system that is reportedly no longer supported by the vendor.

**Inventories**
- The FSUPD conducts an annual inventory of a limited number of items consistent with accreditation requirements. However, to provide assurance that items received have been properly accounted for the FSUPD should conduct an annual physical inventory of all items of evidentiary or financial value that should be in the custody of the P&E room, (i.e., from the records to the shelves) and more frequent inventories of high-risk items.

**Property Disposition**
- Property and Evidence Room information does not allow the FSUPD to timely identify items that are eligible for disposal.
- Procedures should be established to independently track items of P&E temporarily transferred to FSUPD investigators and other law enforcement agencies to ensure they are returned in a timely manner.

**Physical and Environmental Safeguards**
- The FSUPD P&E Room provides adequate physical and environmental control over property and evidence and is well organized.
- The FSUPD does not have a plan of action for securing and maintaining the integrity of high-risk/critical property and evidence in case of emergency or natural disaster.

**Panama City Property and Evidence Operation Review**
- The Police Department on the Panama City Campus of FSU does not properly account for high-risk items transferred to FSUPD in Tallahassee for disposition.
We had 13 recommendations to address concerns identified during the audit.

**Organization Controls**

- We recommended the FSUPD establish procedures for periodic random drug testing of personnel assigned to the P&E Room.

**Internal Controls**

- We recommended the FSUPD develop written procedures regarding the disposition of the different categories of property and evidence that may be in their custody.
- We recommended the FSUPD strengthen its procedures over the disposal of controlled substances to include a documented comparison between the items being disposed and the list of items approved for disposal pursuant to court order.
- We recommended the FSUPD adopt consistent standards of documentation supporting the final disposition of property and evidence, and ensure the documentation is readily available.
- We recommended the FSUPD identify items of evidentiary value, financial value, or at high risk of misappropriation, and require the disposal of such items be witnessed by personnel independent of the P&E Operation and these witnesses be documented.

**Property and Evidence Information System**

- We recommended the FSUPD continue its efforts to identify and purchase a software product that provides tools for property and evidence management and control.
- We recommend the FSUPD develop a process to identify items determined to be of evidentiary value, financial value, or at high risk of misappropriation, and require supervisory approval prior to disposal.
- We recommended the FSUPD consolidate historical records for all items currently in custody of the P&E Room into a single data system, including property and evidence information recorded as data in both the Automated Records Management System (ARMS) and in the Spillman system.

**Inventories**

- We recommended the FSUPD develop procedures to conduct annual physical inventories to ensure that all items of evidentiary value, financial value, or at high risk of misappropriation can be located. Further, the FSUPD should develop procedures to conduct more frequent inventories of its high-risk items.

**Property Disposition**

- We recommended the FSUPD develop and implement a process(es) to timely identify property and evidence eligible for disposal.
- We recommended the FSUPD establish procedures to track items of P&E temporarily transferred to the custody of others outside the P&E room, including items transferred to the custody of other FSUPD staff, to assure that the items are returned in a timely manner.

**Physical and Environmental Safeguards**

- We recommended the FSUPD develop written procedures for securing and protecting the integrity of high-risk/critical evidence and/or property, in case of an emergency or natural disaster.

**Panama City Property and Evidence Operation Review**

- We recommended the FSUPD establish a procedure that requires items sent from the Panama City Campus Police Department to the P&E Room in Tallahassee for disposal to be reconciled to their receipt and recording in the property and evidence system.

An action plan was developed by management to address each of these identified issues.
The purpose of our audit of the University’s Courtesy Car program was to evaluate the current program and identify opportunities for improvement.

Subsequent to conducting our audit fieldwork, we were advised that the Athletics Director and University senior management made a decision to phase out the assignment of courtesy cars to Athletics Department employees by spring 2016. This decision should reduce the risk associated with the operation of vehicles assigned by the University, as Athletics Department employees will be responsible for their own transportation. Our audit found that the Athletics Department did not have current information on some of the assigned courtesy cars, did not have information on insurance coverage for some of the courtesy cars that were required to be privately insured, and where insurance documentation was provided it did not always include adequate information to determine whether the coverage was consistent with policy. The Athletics Department also did not confirm the validity of drivers’ licenses for those individuals assigned courtesy vehicles.

Our report includes recommendations to reduce risk associated with the continuing use of assigned courtesy cars until the program’s anticipated phase out in spring 2016.

The objectives of this audit engagement were to evaluate policies related to courtesy cars assigned to employees in the Athletics Department and to identify opportunities for improvement and evaluate the need for policy changes going forward.

Specifically, we determined:

- On May 26, 2015, the date of the audit, the Athletics Department did not possess current courtesy car reporting forms for 13 of 51 (25 percent) of the courtesy cars assigned to its employees;
- On May 26, 2015, the date of the audit, for 38 of 39 (97 percent) of the courtesy cars that were required to be covered by private insurance, either there was no insurance documentation on file or the documentation was not adequate to determine whether minimum coverage requirements were met; and
- The Athletics Policies and Procedures require that its employees maintain valid drivers’ licenses; however, licenses were not validated by the Department.

We had four recommendations to address issues identified during the audit. Specifically, the Athletics Department should:

- Take immediate steps to ensure it has current information on the remaining courtesy cars assigned to employees;
- Review the insurance coverages for all courtesy cars currently assigned to employees to ensure the coverage is adequate and that the University and the car dealership are named as additional insureds;
- Ensure it has identified courtesy cars that should currently be included in the group policy and timely terminate coverage where courtesy cars are no longer assigned; and
• Validate the drivers’ licenses of all employees who are currently assigned courtesy cars.

Management developed an action plan to address each of these recommendations.

We conducted an audit of the Florida State University Office of Human Resources’ (HR’s) process for identifying individuals required to file annual disclosures of financial interests with the Florida Commission on Ethics (the Commission). The purpose of our audit was to determine the effectiveness of the notification and identification process and to identify opportunities for improvement.

We concluded HR has an effective process for notifying previously identified University employees of their responsibility to file annual disclosure forms; however, HR’s process for identifying employees that should file annual disclosure forms needs improvement. As a result, there may be additional employees that should be filing annual disclosure forms. The current identification process does not include all statutory criteria, and legal guidance is needed in the interpretation of Florida Statutes related to financial disclosure requirements. We recommended that HR seek assistance and guidance from the University’s General Counsel to establish a defensible methodology for identifying required filers. We also recommended that HR revise its written
procedures to include all statutory criteria applicable to positions and employees.

The objective of this audit engagement was to evaluate the University’s process for identifying individuals who are subject to the financial disclosure requirements of state law and notifying those identified of their filing responsibility. Our evaluation included identifying opportunities for improving the effectiveness and accuracy of HR’s identification and notification process.

Specifically, we determined:

- HR’s process for notifying University employees of their financial disclosure filing responsibility is effective and timely for those whom HR has previously identified as individuals statutorily required to file financial disclosures with the Commission;
- HR’s procedures for identifying individuals required to file financial disclosures with the Commission do not consider all criteria in Section 112.3145(1)(b), Florida Statutes, which defines a specified state employee, and do not result in a consistent identification of equivalent positions within the University; and
- The University’s Office of the General Counsel has expertise that can assist HR in developing a defensible methodology for identifying individuals filling University positions statutorily required to file financial disclosures with the Commission.

Based upon our audit, we recommended:

- HR revise written procedures to include all statutory criteria applicable to University positions and employees for identifying individuals required to file financial disclosures with the Florida Commission on Ethics.
- HR consult with the Office of the General Counsel to develop a defensible methodology to identify positions meeting the statutory definition of a specified state employee.

Management has developed an action plan to address the identified issues.

**Performance-Based Funding (PBF) Metrics Data Integrity**

The overall purpose of this audit was to report on the controls and processes established by the University to ensure the completeness, accuracy, and timeliness of data submissions to the Board of Governors that supported the University’s PBF metrics, and to provide an objective basis of support for the University’s President and Board of Trustees Chair to sign the representations included in the Performance-Based Funding – Data Integrity Certification, which was submitted to the University’s Board of Trustees for approval, and filed with the BOG on March 4, 2016. This audit included an evaluation of the key controls that support these processes, as well as testing to support that the controls in place are effective. The focus of the audit was specifically on the controls surrounding the development and submission of data upon which the University’s 10 PBF metrics are based, as outlined and approved by the BOG for 2015-16. Those metrics included:
1) Percent of Bachelor’s Graduates Employed Full-Time or Continuing Their Education in the U.S. One Year After Graduation;

2) Median Wages of Bachelor’s Graduates Employed Full-Time in Florida One Year After Graduation;

3) Average Cost per Bachelor’s Degree (Instructional Costs to the University);

4) Six-Year Graduation Rate for First-Time-in-College Students (Full- and Part-Time);

5) Academic Progress Rate (Second Year Retention Rate with Grade Point Average (GPA) Above 2.0);

6) Bachelor’s Degrees Awarded within Programs of Strategic Emphasis (Science, Technology, Engineering, and Mathematics (STEM));

7) University Access Rate (Percent of Undergraduates with Pell Grants);

8) Graduate Degrees Awarded within Programs of Strategic Emphasis (STEM);

9) Faculty Awards (FSU’s Choice of Board of Governors’ Choice Metrics); and

10) National Rank Higher than Predicted by the Financial Resources Ranking, Based on U.S. News and World Report (FSU’s Board of Trustees Choice Metric).

This audit solely addressed the integrity of the University’s data submissions to the BOG that supported the University’s Performance-Based Funding metrics. Our evaluation of controls and testing included the University’s most recent data submissions associated with the PBF metrics that were available up to October 14, 2015. The BOG extracts data from the files provided it by the University and performs additional calculations to derive the final PBF metrics data published by the BOG. The University is not involved in these extractions or additional calculations by the BOG.

Overall, we concluded that the University has adequate processes for collecting and reporting Performance-Based Funding metrics data to the Board of Governors. In addition, our audit provided an objective basis of support for the University’s President and Board of Trustees Chair to sign the Performance-Based Funding – Data Integrity Certification, which the BOG requested to be filed with it by March 4, 2016.

We had one recommendation for improvement for which management agreed to take appropriate action. We recommended that University administrators continue to routinely monitor the timeliness of the University’s file submissions to the BOG and take proactive measures to resolve any delays. It is anticipated that there will be a reduction in the number of days late for future file submissions. The ultimate goal is to submit all required files to the BOG on time.

**Housing Cash Collections and Billings**

The purpose of our audit of the University Housing Department’s (Housing’s) Cash Collections was to determine whether there were
adequate controls over rental revenue and to identify opportunities for improvement.

During the 2014-15 academic year, the University had 18 available residential halls for students. Our audit included a review of rental rates at all 18 residence halls. During the Fall 2014 and Spring 2015 semesters, there were approximately 6,600 housing assignments each of these semesters. Housing earned approximately $19.7 million in rental revenue during the Fall 2014 semester and approximately $19.5 million during the Spring 2015 semester. There were two primary cashiers, one back-up cashier, and one cashier supervisor located in the Housing Department. Housing cashiers accept cash, checks, cashier’s checks, money orders, and the FSU card as payment methods. During our audit period, Housing cashiers only accepted payment for housing-related transactions, such as rent, late fees, lost key fees, and damage fees. During the summer of 2015, Housing cashiers began accepting payments for all types of campus transactions (e.g., Parking, Campus Recreation, Wellness Center, etc.), as a convenience for residential halls residents. Overall, we concluded that the Housing Department’s rental fees were properly assessed, collected, accounted for, and recorded in the University’s records. In general, collections were made in accordance with University policies and procedures, and rent was billed in accordance with the 2014-15 University Housing contract’s terms. During the period covered by our audit, we noted certain weaknesses in internal controls over housing rental revenue and offered five recommendations for improvement. The Housing Department developed an action plan to address each of these recommendations.

Our audit objectives were to determine whether:

1) University Housing Department sites were handling cash collections in accordance with the University’s Cash Management policy and had sufficient and effective internal controls in place to reduce the risks associated with cash collections; and

2) The Housing Department billed students’ rent in accordance with the 2014-15 University Housing contract’s terms.

Our audit testing covered the period from July 2014 through May 2015.

Our conclusions were as follows.

Objective #1 - Cash Collections:

- Housing was not scanning all checks or reconciling deposits to scanned checks on a periodic basis. For the period tested, Housing did not log in checks. Instead, the cashier supervisor scanned images of the checks into the computer. We noted that many checks were not scanned, or were scanned but were not entirely readable. In our testing, we determined that for 56 of the 502 receipts (11 percent) included in our sample, there were no copies of the scanned checks. In addition, none of the scanned checks were reconciled to the deposits. Periodically reconciling the scanned checks to the deposits is a good business practice, as well as a required procedure in the University’s 4-OP-D-2-B Cash Management Policy.

According to Housing staff, during our audit they took steps to strengthen internal controls over cash collections by using a more technologically advanced scanner, and by keeping a log of all incoming checks in the mail and reconciling this log to the daily deposits.

- Two of the cashiers had not completed the University’s required Payment Card Security Training. Housing staff was not aware that this training was required for the cashiers in the department, as Housing only accepts the
FSU Card, which is a private label and is not subject to the Payment Card Industry (PCI) standards. Nevertheless, the University’s Policy 4-OP-D-2-G Payment Cards is more conservative and Housing cashiers are still required to complete the Payment Card Security training. In addition, it is a good business practice to have cashiers complete this training if they are processing payments using any type of payment card. The FSU Card is one of the identified types of payment cards.

Objective #2 - Rental Rates:

- One student-resident was not billed for the Fall 2014 semester’s Housing rent charge, which resulted in an underpayment to the University in the amount of $2,910. Another student-resident changed rooms at the beginning of the Fall 2014 semester and was charged for two rooms, as the first room’s rent charge was not reversed. This resulted in an overpayment to the University in the amount of $2,550. The net effect of these two errors is an underpayment to the University of $360. Though this amount is not material to rental revenues tested, the two errors show that both under- and over-payments can occur.

- One student-resident resided in a room throughout the entire Fall 2014 semester, but was not charged for housing in a timely manner, as the Housing contract between the student and the University was not created until November 2014—long after residence halls opened on August 20, 2014.

- One student-resident withdrew for medical reasons, but was not charged the standard $225 forfeiture fee. The Housing employee who made the decision to waive the forfeiture fee was the same employee who actually waived the charge in the Housing Management System (HMS). There should be controls in place to achieve a separation of duties to ensure that one person does not have the ability to approve waivers and also enter them into the HMS.

- There were differences in the methodologies used for the calculation of manual charge adjustments by Housing staff versus automatic adjustments in the HMS, which created inconsistencies in charges depending upon the method of adjustment used. The calculations should have the same results.

We offered five recommendations to address the internal control issues identified during the audit.

Cash Collections:

We recommended that the Housing Department:

1) Ensure that all checks are scanned legibly and continue to reconcile the incoming check mail log against the daily deposits.

2) Require all cashiers to complete the University-required Payment Card Security Training through the Controller’s Office. In addition, Housing should update its internal policies to include a procedure to notify the Controller’s Office of any changes in staff who are responsible for FSU card processing, so that any new staff can receive this training.

Rental Rates:

We recommended that the Housing Department:

3) Perform additional manual “test runs” of Housing rental charges after the last day for students to drop/add classes, and also at the end of each semester. These test runs should include reviews for rent charges that have not been billed, as well as rent charges that have been overbilled to the student-residents.
Testing should also include a review of any manual adjustments.

According to Housing staff, during the audit they implemented the following measures to mitigate internal control weaknesses related to rental charges:

- Housing charges are to be compared to assignments before and after semesters begin to identify any assignments that may exist without contracts and/or billings; and
- Manual charge adjustments are to be reviewed regularly for accuracy.

4) Strengthen internal controls by having a separate staff member review all waivers of fees made by Housing staff in the HMS. This reviewer should not be able to adjust fees in the HMS.

5) Review its calculations for the various Housing rental rate adjustments and modify them for consistency. Housing staff stated they would revise their manual rate calculation methodology beginning with the Spring 2016 semester in order to align it with the automatic charge adjustment calculations performed by the HMS.

An action plan was developed by Housing management to address each of these identified issues.

Audit of the College of Arts and Science, History Department

We reviewed the History Department’s business operations in 11 areas. We identified no issues in four and offered one or more opportunities for improvement in seven. This is not to be construed as the department’s overall management in these seven areas being low. The purpose of this audit was to offer feedback to improve management where any reportable issues were noted.

As the table below shows, for the 11 areas we reviewed, we identified no issues in four and offered one or more opportunities for improvement in seven. This is not to be construed as the department’s overall management in these seven areas being low. The purpose of this audit is to offer feedback to improve management where any reportable issues were noted.
For the four business processes areas noted above with no identified issues, we commend the department for its efforts to comply with University policies and good business practices. Below is a summary of what we found for the seven areas where there were opportunities for improvement and our recommendations.

**Budgeting, Accounting, and Financial Reporting**

1) History Department management was not reviewing monthly budget reconciliations or financial reports.

2) Monthly budget reconciliations did not contain information required by the Controller’s Office, including name of preparer, date prepared, evidence of review, name of supervisor, and signature and date of review/approval.

**Purchasing and Disbursement**

3) During our audit period, the department incurred total sales taxes in the amount of $67 for 12 of the 135 Purchasing Card (P-Card) transactions in our testing population. This number (12) represented approximately **nine** percent of the total number of P-Card charges for the chosen time period.

4) Monthly P-Card reconciliations did not contain all required information, including dates of supervisory review and dates of cardholders’ signatures.

**Travel**

5) Travel by History Department staff was not properly authorized prior to travel occurring.

6) Travel Expense Reports were not submitted to the Controller’s Office in a timely manner.

**Human Resources Management**

7) The department was late in processing appointments for many new hires.

8) Because their appointments were processed untimely, the University had to make retroactive payroll payments to several of the department’s new hires who began work prior to their appointments being processed.
9) The department was late in processing new employees’ federal I-9 forms.

10) The department was not processing some employee terminations timely.

Payroll

11) The department’s Final Cost Center Reports/Payroll Certification Reports were not a true accounting of the total department payroll.

Research Management and Support

12) The department could strengthen its expertise in managing sponsored projects by ensuring that staff, including faculty, has optimum training in administration of sponsored research contracts and grants.

Information Technology

13) Supervisors were not regularly reviewing their staff’s security roles for appropriateness and, consequently, certain staff who were no longer employed by the department/University continued to have access after their separations from the University.

An action plan was developed by History Department management to address each of the issues we identified. During our audit fieldwork, the History Department was a non-University Business Administrator (UBA) department; however, as of October 2015, the UBA Program had partnered with the History Department to provide its services.

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1 At FSU, the Athletics Compliance Office, Office of the University Registrar, and Student-Athlete Academic Services Department are all responsible for certifying student-athlete academic eligibility and constitute the athletic eligibility certification team.

Office of Inspector General Services
program in compliance with the rules and regulations established by the NCAA, including academic eligibility requirements. In any instance of noncompliance, the University is required to comply fully with the NCAA and take appropriate disciplinary or corrective actions.

As required under NCAA Bylaw, Article 14 Academic Eligibility, the University shall not permit a student-athlete to represent it in intercollegiate athletics competition unless the student-athlete meets all applicable eligibility requirements, and the University has certified the student-athlete’s eligibility. To be eligible to represent the University, a student-athlete must be enrolled in a full-time program of studies (minimum of 12 credits), be in good academic standing, and maintain progress toward a baccalaureate or equivalent degree. In addition, an institution shall not be eligible to enter a team or individual competitor in postseason competition unless it has submitted, by the applicable deadline, the Academic Performance Program information. At FSU, the Athletics Compliance Office (Compliance), Office of the University Registrar (Registrar), and the Student-Athlete Academic Services Department (SAAS) are all responsible for certifying student-athlete academic eligibility.

The scope of this audit included NCAA student-athletes at the University during the period of August 2014 through December 2015.

Our audit objectives were to discern whether Athletics had effective policies and procedures in place to:

1) Determine and monitor student-athlete eligibility based on NCAA Progress toward Degree requirements; and

2) Gather and submit accurate academic data required under the NCAA’s Academic Performance Program.

Our audit testing covered the period from August 2014 through December 2015.

Conclusions

Overall, we concluded that Athletics’ policies and procedures over academic eligibility are adequate and being adhered to. The independent review by the Registrar provides a strong control over academic eligibility. All student-athletes in our sample were accurately reported as being academically eligible. In addition, the information submitted for the Academic Performance Program was generally accurate and complete.

We noted two improvements that could be made to strengthen the already strong internal controls over Percentage of Degree Completed calculations and Academic Progress Rate (APR) reporting. We offered two recommendations for improvement. Athletics developed an action plan to address both of these recommendations.

Our conclusions for Objective #1 and #2 were as follows:

Objective #1 – Progress toward Degree:

- We noted one instance in a sample of 101 student-athletes reviewed where a course was counted towards a major in the Percentage of Degree Completed calculation, but it was not one of the approved courses for the major and, instead, should have been calculated as an elective. We noted a second instance where there was a course that was properly counted towards both the student-athlete’s liberal studies and major in the Percentage of Degree Completed calculation, but was not listed as a liberal studies course on the supporting documentation for the calculation. Neither of these instances affected the student-athletes’ academic eligibility. However, there is a future risk that student-
athletes could be incorrectly certified eligible if their Percentage of Degree Completed calculation forms are inaccurate.

Registrar staff communicated to us that both of these errors had been corrected in the student-athletes’ files, subsequent to our bringing these instances to their attention.

Objective #2 – Academic Performance Program:

- In our review of all student-athletes’ full-time statuses, we noted one who received the retention point on the 2014-15 APR report, but had dropped below full-time status prior to the census date. Compliance reported that this error was found prior to our audit, but had not yet been corrected, as corrections/adjustments can only be made during a certain time of the year. The next correction phase will be in the fall 2016 term. While correcting this error will not drop this team’s multiyear overall APR score below 930, which is the base level APR requirement, there is a future risk that such an error, if not detected, could lead to a team’s multiyear overall APR score dropping below the requirement and Athletics could incur NCAA penalties.

Recommendations

We offered two recommendations for improvement.

We recommended that Athletics:

1) Update its internal procedures to ensure a thorough review of the degree program requirements of each student-athlete’s major, and also to ensure the supporting documentation for the Percentage of Degree Completed calculation for a given student-athlete accurately reflects how the calculation was completed.

2) Enhance its internal procedures to make certain that each student-athlete who is receiving the retention point on the APR was a full-time student on the census date. We also recommended that, during the next APR correction/adjustment period, Athletics correct the APR for the student-athlete who dropped below full-time status prior to the census date, as noted in this audit report.

An action plan was developed by Athletics to address each of these two identified issues.

In Progress and Carry Forward

At fiscal year-end, we had audits in various stages of progress. Some of them were close to being finished while others were in the early stages of the process.

Audits in progress at fiscal year’s end were:

- Seminoles Boosters - College Town Project;
- Working Capital Trust Fund;
- Florida Medical Practice Plan;
- Jeanne Clery Act;
- Server Security Motion Picture Arts;
- Graduate Student Health Insurance Subsidies;
- Graduate Student Tuition Fee Waivers;*2

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2 The Dean of The Graduate School requested we postpone this audit until later in 2016-17.
Follow-up Activity

In conformance with the *International Standards for the Professional Practice of Internal Auditing*, the OIGS follows up on audit observations and other significant issues to determine if reported planned actions have been taken in response to our observations. Follow-up is performed every six months and all observations are followed up on until final resolution.

Implementation of recommendations during this fiscal year was at 42 percent. The pie charts below show the breakdown for implementation for each six-month period and the total for the year.
Follow-up on the Implementation of Recommendations
January 1 - June 30, 2016

- Implemented: 43%
- Partially Implemented: 41%
- In Progress: 12%
- No Substantial Progress: 4%
- Risk Accepted by Management: 0%

Follow-up on Recommendations for Fiscal

- Implemented: 42%
- Partially Implemented: 33.67%
- In Progress: 16.33%
- No Substantial Progress: 6.12%
- Risk Accepted by Management: 2.04%

The OIGS maintains two hotlines: EthicsPoint and the Fraud Hotline, for employees and contractors to report suspected acts of fraud, waste, and abuse, including mismanagement or violations of laws, rules, or procedures by University employees or contractors.

Reports can be made anonymously.

### Complaints/Investigations

The OIGS receives complaints and allegations reported directly to our Office, from internal and external referrals, and through the University’s EthicsPoint Hotline. The OIGS occasionally initiates an investigation based on concerns arising from routine audits and existing investigations. In addition, we provide investigative assistance to management when requested. Upon receipt, each complaint or request is evaluated to determine what type of investigative action is needed. Complaints that do not fall within our jurisdiction are referred to the appropriate entities. During 2015-16, approximately seven percent of our direct effort was expended on reviewing complaints and conducting investigations.

### TYPES OF INVESTIGATIVE ACTIVITY

**Standard Investigations** are opened from complaints involving violations of applicable laws, rules, or policies and procedures that could result in criminal convictions, terminations, or disciplinary action.

**Preliminary Inquiries** are opened when the OIGS is not certain whether an investigation is warranted. In these cases, we conduct additional fact-finding and make a determination whether to proceed with investigation or whether the complaint can be closed or resolved without need for further investigation. Even if an investigation is not warranted, occasionally these cases may result in an Investigative Memorandum to notify management of our findings and recommendations that may be of interest and helpful to the University.

**Management Referrals** are opened for complaints that appear to be easily investigated and resolved by management of the appropriate college or department. Our Office refers the complaint for review and action deemed appropriate and requests management follow up with our Office to provide a resolution and explain any corrective actions taken. Our Office closes the case if the management response appears to address the concerns satisfactorily. However, if the concerns, in our opinion, are not adequately addressed or if management identifies other concerns, our Office may initiate further investigation.

**No Investigative Action** is taken when complaints are not supported by facts, are not violations of law or policy, or have already been investigated or resolved. These complaints are closed to the file for reference purposes only. We also take no investigative action when complaints are not within our jurisdiction. These complaints are referred appropriately.
Management Assistance cases are opened when University management requests that our Office provide specific information. Should any potential violations of law or policy be identified in the course of providing assistance, the OIGS reserves the right to initiate an investigation.

Criminal Assistance Investigations are opened when the OIGS receives allegations of a criminal nature that are referred to the appropriate law enforcement agency. In these cases, the law enforcement agency is the lead and the OIGS provides investigative assistance, as requested.

**TYPES OF INVESTIGATIVE WORK PRODUCTS**

**Investigative Reports** are to report the results of an investigation into allegations determined to be significant to University operations and that reflect a violation of law or University policy. Investigations conducted are in accordance with the *Principles and Standards of Office of the Inspector General, Quality Standards for Inspections, Evaluation and Reviews*, commonly known as the *Green Book*. The Investigative Report will conclude as to whether allegations(s) made are determined to be substantiated, unsubstantiated, or unfounded.

**Investigative Memorandums** are to report to management the results of an investigation when allegations are not determined to be significant to University operations and/or do not reflect a significant violation of law or University policy. Generally, these reports will result in a conclusion about the issue, as compared to the more formal and detailed investigative report.

**Management Assistance Memorandums** are to respond to management requests for specific information. Once provided to management, a determination will be made as to whether the request has been satisfied without further staff action.

**Controls and Compliance Reports** are to report internal control and/or compliance weaknesses identified by staff during an investigative project. Such limited-scope services are a by-product of the investigative project but are not integral or directly related to the scope, objectives, or findings of that project. Such findings are provided to management for information, consideration, and corrective actions. In such instances, a full audit is not warranted and the limited scope of services provided is clearly identified.

**Closure Forms, Letters, or Emails** are to document findings and conclusions identified during an investigative project when predication or justification to continue investigative activity no longer exits.

**INVESTIGATIVE ACTIVITY**

For Fiscal Year 2015-16

At the close of the prior fiscal year ended June 30, 2015, we had two Standard Investigations, one Managerial Referral, and one Criminal Assistance case that remained opened, for a total of four cases carried over into the 2015-16 fiscal year.
Between July 1, 2015 and June 30, 2016, the OIGS opened 24 new cases, which included six cases that were brought to us anonymously. Together with the four cases carried over from the prior fiscal year, the OIGS managed 28 investigative cases during 2015-16.

### NEW CASES OPENED 2015-16

<table>
<thead>
<tr>
<th>Category</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud/Theft</td>
<td>5</td>
</tr>
<tr>
<td>Ethics</td>
<td>6</td>
</tr>
<tr>
<td>Misuse of University Resources</td>
<td>3</td>
</tr>
<tr>
<td>Misconduct</td>
<td>4</td>
</tr>
<tr>
<td>Lack of Compliance with Policy</td>
<td>4</td>
</tr>
<tr>
<td>Information</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>

The OIGS reviews and evaluates each complaint received to determine how it should be processed. During fiscal year 2015-16, two (2) complaints were determined to require standard investigations and two (2) complaints were referred to FSUPD and required our assistance. Six (6) complaints were closed at intake because the allegations were not a violation of law or policy, were not sufficiently supported by fact, or
were not within our jurisdiction. The remaining complaints were either referred to management or required further inquiry.

Twenty-one of the 28 investigative projects underway during the year were completed and/or closed in 2015-16. Seven cases were in process at fiscal year-end and carried over into the 2016-17 fiscal year.

In addition to conducting the above investigations, the OIGS Chief Audit Officer serves as the University’s Ethics Officer for purposes of Federal Sentencing Guidelines, and for receiving all complaints that allege a need for whistle-blower protection pursuant to Section 112.3189, Florida Statutes. During the fiscal year, the Chief Audit Officer received one whistle-blower complaint, which was counted as one of the 24 new cases received in 2015-16 and was found not to qualify for investigation under the whistle-blower act.

The management of investigations in fiscal year 2015-16 resulted in the completion of the following work products.

<table>
<thead>
<tr>
<th>WORK PRODUCTS COMPLETED</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Investigative Reports</td>
<td>1</td>
</tr>
<tr>
<td>Management Assistance Memorandums</td>
<td>1</td>
</tr>
<tr>
<td>Closure Forms, Emails, and Letters</td>
<td>21</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>23</strong></td>
</tr>
</tbody>
</table>
Results of a Significant Criminal Investigation and Management Assistance Report

During the 2015-16 fiscal year, the OIGS issued two significant reports relating to an embezzlement that occurred in the College of Business Student Investment Fund (SIF). The first was the report of our investigation which issuance had been delayed, by request, until the completion of the federal government’s continuing investigation. The second report addressed the SIF Board and the external auditing firm’s actions relating to the issues. The embezzlement was by a former faculty member and officer of the SIF who also served as faculty advisor to students that managed the SIF. As a result of material weaknesses in internal controls, the faculty advisor made transfers of several hundred thousand dollars from the SIF to his personal investment company, without disclosure or authority. Moreover, the SIF Board and its external auditing firm steadfastly and incorrectly maintained the faculty advisor’s actions should be reported on the SIF financial statements as investments, purchase and sale of investments, level 1 investments, and related party investments. While none of the principle amount was lost, the University did not benefit from any earnings that may have been realized by the faculty advisor when SIF monies were in the advisor’s investment company.

As a result of investigative work performed by the Office of Inspector General Services and completed by the U. S. Secret Service, the U. S. Attorney was able to prosecute. The Office of Inspector General Services and others testified in federal court, and the faculty advisor was found guilty of embezzlement and sentenced to prison. His sentencing is under appeal.

As to the SIF financial statements related to this embezzlement, the Chief Audit Officer concluded those issued prior to 2016 and applicable to 2011 and 2012 were not presented in accordance with Generally Accepted Accounting Principles. Also, the CAO concluded the external audits performed on these financial statements did not comply with Generally Accepted Government Auditing Standards. As to management of the SIF, there was significant noncompliance with Florida Statutes, Board of Governors and FSU regulations, Auditor General Rules, and FSU policies on internal control relating to fraud, abuse, and conflicts of interest. To address the identified issues, the SIF Board (with the support of a new Dean) took corrective actions.

During this entire investigative period, which lasted for more than three years, President Thrasher, the Chair of the Finance, Business, and Audit Committee, and Board of Trustees supported the CAO’s actions and efforts to report his conclusions. Also, in June 2016, the BOT approved FSU Regulation 2.025, which requires each DSO to have an audit committee and provides the process for selection and approval of external auditing firms auditing DSOs.
Direct Services

Each year, the OIGS conducts a risk assessment of University activities and services. The risk assessment process includes interviews with the University President, Vice Presidents, key administrators, and the Chairperson of the Finance, Business, and Audit Committee of the Board of Trustees. Feedback received through these interviews contributes significantly to the successful development of our Annual Work Plan.

The Annual Work Plan contains a detailed schedule of projects planned for the year. Estimated hours are allocated to each project in an effort to optimize utilization of OIGS staff.

Our direct service level of effort for 2015-16 was 67 percent. We achieved this level of direct service notwithstanding staff turnover in two of our five Senior Auditor/Investigator positions and the loss of our Investigator/Auditor, due to staff departures. We were also in the beginning stages of implementing a new audit management software program, which took time away from our direct service efforts.

The two graphs that follow show the planned versus actual direct service effort for fiscal year 2015-16 and a nine-year trend of direct service effort for fiscal years 2007-08 through 2015-16.

Activity Charts

HISTORY OF DIRECT EFFORT
2007-08 THROUGH 2015-16

- AUDITS
- CONSULTING PROJECTS - STARTING IN 2013-14, HOURS WERE ADDED TO AUDITS
- GENERAL INVESTIGATIONS
Provision of Training to the University Community

The OIGS is keenly aware of the importance of training and its benefits to the University and to its employees’ professional development. As such, we are fully committed to this essential component of our services.

The OIGS provides training to the University’s employees, including those outside Tallahassee at the Ringling Museum of Art in Sarasota and our Panama City Campus, in the following areas:

- Ethics;
- Internal controls,
- Fraud awareness, prevention, and detection; and
- Other topics of interest to the requesting entity.

Additionally, the OIGS offers presentations to academic classes at the request of instructors. This fiscal year, some of our staff members were guest speakers for a graduate course in the University’s Askew School of Public Administration and Policy.

Professional Activities and Certifications

The OIGS is proud of the experience and professionalism of its staff. During 2015-16, we continued our commitment to external organizations that support higher education and internal auditing activities. OIGS staff members belong to a number of professional organizations including the following:

- Association of College and University Auditors;
- Institute of Internal Auditors;
• Association of Government Accountants;
• Association of Inspectors General;
• American Institute of Certified Public Accountants;
• Florida Institute of Certified Public Accountants;
• American Society of Public Administration;
• Association of Certified Fraud Examiners; and
• Information Systems Audit and Control Association (ISACA).

Our staff is actively involved with several professional boards. These include the:
• Federal Accounting Standards Advisory Board;
• Audit Committee – Association of Government Accountants;
• Tallahassee Chapter of the Association of Government Accountants;
• Certified Government Financial Manager Board – Association of Government Accountants;
• Tallahassee Chapter of the Institute of Internal Auditors; and
• ISACA Academic Relations Chair (Board Member).

Certifications

Our staff maintains various professional certifications demonstrating their continued commitment to the audit profession. Current certifications held by staff include:
• Certified Internal Auditor;
• Certified Public Accountant;
• Chartered Global Management Accountant;
• Certified Fraud Examiner;
• Certified Information Systems Auditor;
• Certified Government Financial Manager;
• Certified Inspector General;
• Certified Inspector General Investigator;
• Certified Inspector General Auditor;
• Certification in Risk Management Assurance; and
• Certified Government Auditing Professional.

In addition to professional certifications, advanced degrees held by staff include:
• Master of Business Administration;
• Master of Science – Library Science;
• Master of Arts – Spanish;
• Master in Public Administration;
• Master of Science – Instructional Systems;
• Master of Social Work – Program Evaluation; and
• Doctor of Philosophy – Public Administration.
Post-Project Surveys

Upon completing our audits and major consulting engagements, the OIGS provides the individuals with whom we worked most closely on our projects the opportunity to evaluate our services through post-project surveys. These survey results provide the OIGS with valuable feedback and are intended to help us improve our operations.

Our University colleagues evaluate us on a scale from 1 to 5 (with 5 being the most favorable) in several categories, and provide an overall rating as to the value provided by the engagement. The compiled results of the surveys received for projects completed during 2015-16 are indicated in the following chart:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>AVERAGE RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism</td>
<td>4.87</td>
</tr>
<tr>
<td>Relations of Staff</td>
<td>4.67</td>
</tr>
<tr>
<td>Communications</td>
<td>4.67</td>
</tr>
<tr>
<td>Technical Knowledge</td>
<td>4.57</td>
</tr>
<tr>
<td>Helpfulness</td>
<td>4.32</td>
</tr>
<tr>
<td>Report was Unbiased</td>
<td>4.67</td>
</tr>
<tr>
<td>Report was Issued Timely</td>
<td>4.07</td>
</tr>
<tr>
<td>Clear and Accurate Report</td>
<td>4.62</td>
</tr>
<tr>
<td>Provided Value</td>
<td>4.67</td>
</tr>
<tr>
<td><strong>Overall Average</strong></td>
<td><strong>4.57</strong></td>
</tr>
</tbody>
</table>

We constructively assess feedback received and continually strive to improve services provided.

Upcoming Year

We look forward to working with our colleagues as we implement our 2016-17 Annual Work Plan and to the many challenges the new fiscal year will likely bring.

The chart below reflects our expected allocation of personnel resources during 2016-17.
Annual Work Plan 2016-17

A. Audit Projects Carried Forward from 2015-16 Work Plan

<table>
<thead>
<tr>
<th>Audit Project</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Capital Trust Fund</td>
<td>211</td>
<td></td>
</tr>
<tr>
<td>Student Financial Aid</td>
<td>875</td>
<td></td>
</tr>
<tr>
<td>Jeanne Clery Act – Annual Security Report</td>
<td>238</td>
<td></td>
</tr>
<tr>
<td>University Coordination of Response to International Incidents</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Server Security - College of Motion Picture Arts</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Graduate Assistant Health Insurance Subsidies</td>
<td>386</td>
<td></td>
</tr>
</tbody>
</table>

Office of Inspector General Services
### B. New Audit Projects for 2016-17

<table>
<thead>
<tr>
<th>Description</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>State University System Performance-Based Funding (Mandatory)</td>
<td>715</td>
</tr>
<tr>
<td>Wind Tunnel Auxiliary</td>
<td>600</td>
</tr>
<tr>
<td>Student Tuition and Fees</td>
<td>828</td>
</tr>
<tr>
<td>Graduate Assistant Fee Waivers*</td>
<td>748</td>
</tr>
<tr>
<td>Business Practices Enhancement Program – Ringling</td>
<td>805</td>
</tr>
<tr>
<td>Title IX*</td>
<td>195</td>
</tr>
<tr>
<td>Chemical Inventories</td>
<td>600</td>
</tr>
<tr>
<td>Business Practices Enhancement Program – Florida State University Schools*</td>
<td>416</td>
</tr>
<tr>
<td>Cyber Security Training Audit</td>
<td>590</td>
</tr>
<tr>
<td>Network Security – Select Topics*</td>
<td>420</td>
</tr>
<tr>
<td>Capital Projects Broad Scope – Earth, Ocean, and Atmospheric Science*</td>
<td>130</td>
</tr>
<tr>
<td>DSOs External Audits – Financial Report Reviews</td>
<td>40</td>
</tr>
<tr>
<td>DSOs IRS Form 990 Reviews</td>
<td>20</td>
</tr>
<tr>
<td>Management of RSM Construction Consulting Project -- University Housing</td>
<td>50</td>
</tr>
<tr>
<td>Replacement Phase II</td>
<td></td>
</tr>
<tr>
<td>Management of RSM Construction Consulting Project -- Doak Campbell Stadium</td>
<td>50</td>
</tr>
<tr>
<td>Renovations</td>
<td></td>
</tr>
<tr>
<td>Fraud and Internal Controls Training to University Entities</td>
<td>40</td>
</tr>
<tr>
<td>Training -- University Policy on Procurement/Conflict of Interest and Ethics</td>
<td>35</td>
</tr>
<tr>
<td>Training -- University Policy against Fraudulent, Unethical, and Other Dishonest Acts</td>
<td>35</td>
</tr>
<tr>
<td>Office of Inspector General Services Quality Assurance Review</td>
<td>499</td>
</tr>
</tbody>
</table>

Total: 6,816

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1 We have planned that these five audit projects indicated by an asterisk (*) will be carried over with additional hours and completed in the next fiscal year, 2017-18.
## C. Follow-Up Projects for 2016-17

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>347</td>
<td></td>
</tr>
</tbody>
</table>

Follow-up activities for previously completed audits

**Total Hours for Follow-Up Projects for 2016-17**

347

## D. Contingency for 2016-17

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>142</td>
<td></td>
</tr>
</tbody>
</table>

These hours are for new, unplanned projects given priority during the fiscal year.

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 2016-17, provided we have unforeseen available hours for them.

**Total Hours for Contingency for 2016-17**

142

## E. Investigations for 2016-17

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>997</td>
<td></td>
</tr>
</tbody>
</table>

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.

**Total hours for Investigations for 2016-17**

997

**Total Direct Service Hours for 2016-17**

12,027

## F. Audit Management and Administration for 2016-17

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,533</td>
<td></td>
</tr>
</tbody>
</table>

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.

**Total Audit Management and Administration**

6,533

**Total Hours for 2016-17**

18,560