Office of Inspector General Services

Annual Report

2016-2017
Office of Inspector General Services

SAM M. McCall, PhD, CPA, CGMA, CGFM, CIA, CGAP, CIG  
Chief Audit Officer

Kitty J. Aggelis, CIA, CGAP, CRMA, CIG  
Director of Audits/Investigations

Janice Foley, CPA, CISA, CFE, CRMA, CIG  
Director of Audits/Investigations

Jeffrey L. Caines, CIA, CFE, CGAP  
Senior Auditor/Investigator

Debra Arrant, CIGI  
Senior Investigator/Auditor

Heather Harrell, CPA  
Senior Auditor/Investigator

Eric Reeves, CPA, CIA  
Senior Auditor/Investigator

Natalia Salnova, CPA, CIGA, CIGI  
Senior Auditor/Investigator

Carolyn Williams-Lawyer, CISA, CIGA  
Information Technology Auditor

April W. Ulrich  
Administrative Assistant

Rachel Glaser  
Student Intern

Pictured Left to Right: Natalia Salnova, Carolyn Williams-Lawyer, Heather Harrell, Kitty Aggelis, April Ulrich, Sam McCall, Janice Foley, Jeffrey Caines. Not pictured Debra Arrant, Eric Reeves, and Rachel Glaser.

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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 2016-17. During the year, staff worked very diligently to issue audit, management assistance, and investigation reports important to University operations.

We issued 15 reports to include nine audit reports, one self-assessment, two investigative reports, two investigative memorandums, and 2 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 2016-17, 35 percent of previously identified issues had been fully implemented, corrective actions had been started for 59 percent of the issues, and action was pending on 5 percent of the issues. We also processed 44 investigative inquiries. By issuing reports that are fair and objective, by management taking action to address areas for improvement, and by following up to validated the actions taken, we are making every effort to demonstrate accountability.

Of significance, during the year we issued our third Performance-Based Funding (PBF) 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 is valid and reliable.

Three additional significant events occurred this year that directly relate to the OIGS. First, in June 2017, the Board of Trustees separated the Finance, Business, and Audit Committee into two committees—the Audit and Compliance Committee, and the Finance and Business Committee. The separation is consistent with recommended practices and allows the Audit and Compliance Committee to focus on ensuring that processes are in place that support efficient and effective operations. We welcome Trustees Alvarez, Sembler, and Hill as Committee members and look forward to working with them, seeking their guidance, and assisting in accomplishing Committee responsibilities.

Second, in April 2017, a three-person independent review team, made up of our peers from other universities, determined the work of the OIGS fully complied with the Standards for the Professional Practice of Internal Auditing as issued by The Institute of Internal Auditors. The team reviewed audit policies and procedures, working papers, and OIGS issued reports. External quality assurance reviews are required every five years and successful completion allows the OIGS to continue to state in issued reports that our audits comply with professional standards.

Third, in June 2017, the Commission for Florida Law Enforcement Accreditation recognized the OIGS as an accredited investigative organization. Accreditation is received only after a rigorous review of investigative policies and procedures, investigative files, and investigation reports. As a result, the FSU OIGS is the first state university to receive such recognition.

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.

In terms of Office staffing for the 2017-18 year, President Thrasher has approved one additional audit staff member. This person will provide additional audit effort in Direct Support Organizations, major capital projects, and other areas as needed.

Looking back on the year, I continued to have the pleasure and honor of working with President Thrasher and the Board of Trustees. I continued to work with dedicated members of the Finance, Business, and Audit Committee. I view the action of the BOT to establish a separate Audit and Compliance Committee in June 2017 as a significant step toward greater transparency and accountability of University operations.

It is an honor to serve President Thrasher, the Audit and Compliance 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 2017-18 fiscal year. The 2017-18 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
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 recommendations that promote economical, efficient, effective, equitable, and ethical delivery of services.

The OIGS, headed by the Chief Audit Officer (CAO), 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.

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 on our Annual Work Plan were completed during 2016-17. Many of the resulting planned actions have either been implemented or significant progress on them has been made.

For a more thorough understanding of each
Audit of Graduate Student Health Insurance Subsidies

The purpose of our audit of the Graduate Assistant Health Insurance Subsidies was to evaluate the University’s administration and oversight of graduate assistant/fellowship health insurance subsidies, in accordance with applicable laws, rules, regulations, and other legal authority, and written policies and procedures. Total graduate health insurance subsidies for calendar year 2015 were $2,971,333.

According to its websites, the mission of The Graduate School is to advance the quality and integrity of graduate education. The Graduate School supports graduate students in every program at the University. It provides graduate students assistance in academic matters, advice on University-wide degree requirements, information on the availability of financial assistance including assistantships, fellowships, and scholarships, as well as approval for theses and dissertations. Among its administrative duties and responsibilities are providing training and oversight relating to graduate assistant health insurance subsidies. The Graduate School relies on its own information...
and business processes, and also those of University Health Services, Student Business Services and Payroll Services within the Controller’s Office, the Office of Human Resources, the Office of the University Registrar, and the individual academic departments, to administer graduate assistant health insurance subsidies in accordance with statutory, regulatory, and other legal criteria, as well as written University policies and procedures. Graduate Assistant health insurance subsidies are reserved for full-time, degree-seeking graduate assistants and fellows.

Our audit objective was to determine whether recipients of graduate health insurance subsidies met eligibility requirements and received the correct health insurance subsidy amounts.

The scope of our audit encompassed all graduate assistant/fellowship health insurance subsidies governed by The Graduate School for the 2015 calendar year.

Our conclusions were as follows.

Overall, our audit determined the University had strong controls to ensure that recipients of graduate health insurance subsidies met all eligibility requirements and received the correct subsidy amounts. For our audit period of calendar year 2015, we determined there were 1,773 and 1,784 health insurance subsidy recipients for the spring/summer 1 and fall semesters, respectively. For six of the

1 Summer health insurance charges and subsidies typically occur during the spring semester.
2 The one exception was our testing to determine compliance with the collective bargaining agreement criterion that, to be eligible for a health insurance subsidy, a graduate assistant must not have fully met his/her degree requirements. For this testing, our sample consisted of 28 doctoral and five Master’s-level graduate assistants who received health insurance subsidies from the University. We reviewed these students’ individual University transcripts for this testing.
3 There was a total of 3,569 graduate assistants who received or should have received health insurance subsidies; we found instances of noncompliance for only 47 of these graduate assistants.

We did identify opportunities for improvement.

**Eligibility Requirements of the Graduate Assistant:**

1) We determined there were 12 graduate assistants (three in the spring, five in the summer, and four in the fall 2015 semesters) who met all eligibility requirements for health insurance subsidies but did not receive them. For four of these, they did not receive from The Graduate School notifications of their eligibility to receive the subsidies due to late appointments, after the end of the enrollment period. For the remaining eight graduate assistants, the absence of health insurance subsidies for them is attributable to anomalies in the University's subsidy payment process
two graduate assistants were not identified as eligible in the spring even though they met eligibility requirements during that term; five had no preceding spring appointments but had summer appointments and there was no summer open enrollment period; and one graduate assistant was not included in the University Health Services’ data file of health insurance policies purchased, which file was used by The Graduate School for graduate assistant health insurance subsidies).

The total amount of health insurance subsidies due to the 12 eligible graduate assistants was $8,002 ($2,985 in the fall and $5,017 in the spring/summer). At the time of the writing of our audit report, the four graduate assistants we had identified in the fall semester as not receiving health insurance subsidies had all been paid in full (the total $2,985) for the due subsidies. Additionally, The Graduate School reported it had initiated requests for payments to the eight spring/summer graduate assistants we identified as due health insurance subsidies. We followed up to confirm payments to these students.

2) We determined that all students who received health insurance subsidies during calendar year 2015 were in eligible job titles from the collective bargaining agreements in effect during our audit period. However, the existence and continued use of the University's historical N9185 “Graduate Assistant (non-exempt)” job code from the execution of the Collective Bargaining Agreement between Florida State University and the United Faculty of Florida - FSU - Graduate Assistants United (UFF-FSU-GAU) for 2013-2015, signed September 30, 2013, and in subsequent agreements, has led to the University providing health insurance subsidies (as well as tuition waivers) to graduate students who do not meet the definition of graduate assistant in FSU Regulation Chapter FSU-3 Student Life, Section FSU-3.038 Assistantships, or the intent of the collective bargaining agreements. For our audit period of the 2015 calendar year, we identified four graduate students in N9185 positions who received a total of $2,802 in health insurance subsidies.

Our Office plans to conduct a separate audit of graduate assistant tuition waivers. This issue of N9185 positions applies for graduate tuition waivers as well. The number of graduate assistants in N9185 positions during our audit period of calendar year 2015 who received tuition waivers was nine. The combined total amount of the tuition waivers for the nine graduate assistants was $42,938.

University Procedural Requirements:

3) We identified a certain level of noncompliance with the procedural requirement that health insurance subsidy amounts must be in accordance with the prescribed amounts in the applicable collective bargaining agreement (and any supplement), which are based on FTE. We determined that, for our audit period of calendar year 2015, ten graduate assistants received health insurance subsidy overpayments that, together, totaled $4,609. Conversely, the University underpaid health insurance subsidies to
25 graduate assistants. These underpayments, combined, amounted to $6,817. The effect for these overpayments and underpayments is a total of $11,426 in error.

The ten overpayments we identified, as well as one underpayment, occurred in the spring/summer and were the result of exception payments that were miscalculated or incorrectly paid to the graduate assistants. The remaining 24 underpayments occurred in the fall, and 22 of these (92 percent) were due to retroactive or late changes to graduate assistants’ appointments in the OMNI Human Resources/Payroll system, affecting their FTEs and, consequently, the amounts of their subsidies. For the two remaining underpayments in the fall, the graduate assistants each had two appointments. However, for each his/her health insurance subsidy amount was based on the FTE (full-time equivalent) for a single appointment and not the combined total FTE.

The total amount of payments due to the 25 graduate assistants who were underpaid health insurance subsidies was $6,817 ($6,600 in the fall and $217 in the spring/summer). At the time of the writing of our audit report, the 24 graduate assistants we had identified in the fall semester as having been underpaid their health insurance subsidies had all been paid in full (the total $6,600) for the due amounts. Also, The Graduate School reported it had initiated a request for payment to the one spring/summer graduate assistant we identified as due an additional health insurance subsidy payment of $217. We followed up to confirm payment to this student.

Additionally, the total amount of overpayments to the 10 graduate assistants who were overpaid health insurance subsidies was $4,609 (all in the spring/summer). At the time of the writing of our audit report, none of this money had been recovered by the University.

We made four recommendations to address the issues identified during our audit.

An action plan was developed by The Graduate School to address each of these identified issues/recommendations.

Working Capital Trust Fund

The purpose of our audit of the University’s Working Capital Trust Fund (WCTF) was to determine whether the methodologies used to calculate select billing rates were reasonable and supported by adequate documentation.
The Working Capital Trust Fund provides the central financial and cost controls over certain services necessary to the operation of the departments within the University. Funding is received primarily from University departments for skilled craft, building renovation services, and utilities. For administrative purposes, auxiliary accounts are established for the activities coordinated through the WCTF.

Our conclusions were:

The Facilities Maintenance Auxiliary is classified as an Enterprise Auxiliary and has been paying the full University Auxiliary Overhead assessment when it should be classified as a Sales and Services of Non-Educational Activities Auxiliary and not assessed University Auxiliary Overhead. In fiscal year 2015-16, the overhead assessment paid by the Facilities Maintenance Auxiliary pursuant to its Enterprise Auxiliary classification was $498,205. For the past three years, fiscal years 2013-14, 2014-15 and 2015-16, the overhead assessment paid by the Auxiliary, in total, was approximately $1,232,000.

Unlike previous years, the Facilities Maintenance Auxiliary did not reimburse the Education and General (E&G) fund for labor provided by E&G funded employees working on auxiliary projects for fiscal years 2013-14 and 2014-15. However, during the two-year period, Facilities billed customers the hourly Auxiliary rate for hours worked by E&G employees and collected in excess of $1,000,000. In addition, we concluded the methodology followed in years prior to fiscal year 2013-14, when reimbursements were made to E&G, did not include all cost elements. University management is in the process of establishing an appropriate reimbursement methodology for all E&G labor (salaries and benefits) provided to the Auxiliary and has indicated that appropriate reimbursements will be made for prior years.

The 2014-2015 fiscal year labor billing rate for the Facilities Maintenance Auxiliary was set below the amount expected to recover the Auxiliary’s estimated costs for providing its services. The methodology for determining estimated costs used incorrect assumptions and did not include all expenses. If the Auxiliary had not retained revenue collected from billings for E&G labor, it would have operated at a loss.

While the methodologies used to develop most components of the Central Utilities billing rates for electric, steam, and chilled water were reasonable and supported by adequate documentation, the labor billing rate component included a cost not supported by adequate documentation.

The University’s Auxiliary Operations policy allows the cost of depreciation to be included in rates to recover the cost of equipment. Historically, Auxiliary Utility rates have not included a depreciation component; however, since fiscal year 2013-14, entire fixed capital outlay projects have been paid for in advance by adding the project cost to a single year’s utility billing and accumulating that amount in the Utilities Sinking Fund. These transactions have been recorded as utilities operating expenses in a single year and will also be reported as future depreciation expenses, over time, in Capital Projects Funds. We have been assured the transactions will not impact the federal Finance and Administrative (F&A rates) rate currently under development, as
adjustments will be made to ensure duplicate expenses are not included when developing the rate.

Finally, both Facilities Maintenance and Central Utilities Plant activities are accounted for in the Facilities Maintenance Auxiliary account, limiting the ability to determine whether the activities are self-supporting.

We had ten recommendations to address issues identified during the audit.

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

**Performance-Based Funding Metrics Data Integrity**

The overall purpose of the 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 BOG that support 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 and filed with the BOG by March 1, 2017. This audit included an evaluation of the key controls that support these processes, as well as testing of the actual data upon which the University’s 10 PBF Metrics are based.

The Performance-Based Funding 2016 Metrics (along with their definitions), as of April 8, 2016, published on the BOG website included the following:

1) Percent of Bachelor’s Graduates Enrolled or Employed ($25,000+) 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) Net Tuition and Fees per 120 Credit Hours

4) Six-Year Graduation Rate for First-Time-in-College Students

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)

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5 This Metric replaced the former Metric #3 -- Average Cost per Bachelor’s Degree (Costs to the University) as a result of the November 3, 2016, BOG meeting; associated data were to be included in the 2015-16 Accountability Report.
8) Graduate Degrees Awarded within Programs of Strategic Emphasis (STEM)

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

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 support the University’s Performance-Based Funding Metrics for the 2015-16 Annual Accountability Report. In the event certain of these data were not available when we conduct testing, we used the most recent data for the pertinent metrics. 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 (BOG). In addition, we 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 1, 2017.

Florida Medical Practice Plan

The purpose of this audit was to provide information on the purpose and structure of the University’s Florida Medical Practice Plan, Inc. (FMPP) and its business and operational relationship to the Florida State University College of Medicine (COM). This included describing the three types of agreements administered by FMPP, i.e., 1) graduate medical education (GME) affiliation agreements, 2) clinical service agreements, and 3) practice plan clinic agreements, and evaluating their associated revenue flow.

The audited financial statements for the fiscal year ended June 30, 2016 reported a $758,775 increase in FMPP’s net position. At June 30, 2016, assets were $4,234,474, liabilities were $1,892,473, and net position was $2,342,001. Operating revenues for the year amounted to $8,844,365.

Our audit covered agreements in effect during the 2015-16 and 2016-17 fiscal years.

Overall, we concluded that FMPP was properly managed and compensated consistent with its medical practice agreements. Qualified salary offsets under clinical service agreements and subsequent residual revenue distributions were accurately calculated.
Our conclusions for each audit objective were as follows:

FMPP, Inc. is an organization created to provide operational and fiscal oversight of Florida State University College of Medicine clinical operations and graduate medical education programs. FMPP is an entity legally separate from the University for which the University is responsible. By collecting and distributing revenues from faculty practice activities, FMPP provides opportunities for medical school faculty to maintain their skills as practitioners and also provides for essential training to students, residents and fellows in graduate medical education programs.

FMPP collects revenues from affiliated hospitals and practices pursuant to its GME agreements with residency and fellowship partners. These revenues, amounting to $7,940,953 for 2016, are collected to cover all GME program administrative salary and operating costs. Residency and fellowship faculty, as well as residents and fellows, are compensated by the residency/fellowship partner. FMPP transfers the administrative salary reimbursements to corresponding University GME auxiliary accounts and pays FMPP GME operating costs from the corresponding FMPP department. Revenues collected for fiscal year 2016 matched program expenditures. FMPP also collected $861,701 in sponsorship, technology, library use, and operating fees in 2016. These collections were transferred to the FMPP GME administrative account. Most of these fees have not been expended but are being held for future program use.

FMPP collects revenues pursuant to its clinical service agreements. These revenues were $855,724 in 2016. Cash receipts are used to pay non-salary expenditures and to offset a portion of the salaries of the faculty members who worked 20 percent or more of their time on these clinical assignments. Residual cash balances are then distributed to the Dean’s account, the FMPP administrative account, and to the accounts of the departments providing the clinical services. Revenues are adequate to cover expenses and to provide a residual balance for distribution. We determined FMPP has been compensated consistent with agreements and that the methodology used to calculate salary offsets and residual distributions has been accurately applied.

FMPP leases space and resources and operates geriatric practice plan clinics in two locations—Westminster Oaks in Tallahassee and Doctors’ Memorial Hospital Clinic in Perry, Florida. The source of revenue for these clinics comes from billings to Medicare, third-party providers, and individuals, which are processed by a medical billing company under contract with the FMPP. Revenues for fiscal year 2016 for the geriatric clinics were $92,145. As these clinics operate on a part-time basis, it is the Dean’s intent that revenues eventually be sufficient to cover faculty salary costs, and it is recognized that these clinics may need ongoing subsidies from other FMPP revenues. While the clinics were profitable in fiscal year 2015, the clinics experienced net losses of $12,099 in fiscal year 2016, primarily due to expenses related to the purchase of technology for an increased number of providers and fees for consulting on clinic operations.

For this audit, we provided assurances that FMPP has established adequate financial management controls and those revenues received have been properly calculated and recorded in accordance with established agreements and policies.
This is the first audit of FMPP by the Office of Inspector General Services. FMPP is relatively new when compared to Medical Practice Plans at other state universities, with the first agreement having been executed in 2006. Faculty Practice Plans at other universities are most often related to university-operated medical centers, which is a different structure than operations at FSU’s College of Medicine. Because of the importance of the FMPP to the College of Medicine and the University, additional audits of the FMPP may be conducted as it continues to evolve and expand. Such audits will be conducted with the intent of providing continued assurances relating to risk management, controls, and governance processes, and to further support external financial statement audits received.

Office of Business Services, and Transportation and Parking Services Internal Controls over the Driver and Vehicle Information Database (DAVID)

This audit evaluated the management and administration of the Driver and Vehicle Information Database (DAVID) system by the Office of Business Services (OBS) and Transportation and Parking Services (TAPS). The audit objectives were derived from the Department of Highway Safety and Motor Vehicles’ Driver’s License and/or Motor Vehicle Record Data Exchange Memorandum of Understanding and the DAVID Audit guide.

The objectives of our audit were to determine whether the information exchanged was safeguarded by OBS/TPS pursuant to the Memorandum of Understanding (MOU), Contract Number HSMV-0082-16, and whether internal controls over personal data have been evaluated and are adequate to protect the personal data from unauthorized access, distribution, use, modification, or disclosure.

Specifically, our objectives were to determine whether:

- A quarterly review of authorized users had been conducted by OBS/TAPS and whether all users were authorized;
Annual audits of unauthorized use were conducted by OBS/TAPS and whether any unauthorized use was detected;

- DAVID information was protected from access by unauthorized individuals;

- Personnel understood and acknowledged their understanding of the confidential nature of DAVID information and the criminal sanctions specified in state law for unauthorized use, and also to determine if those acknowledgements were current; and

- An evaluation of internal controls was performed by OBS/TAPS prior to submitting the Annual Affirmation Statement.

Our audit of compliance with the DAVID MOU and testing of internal controls concluded that individuals using the system to identify non-permitted vehicles understood their responsibilities to access information for business use only and were aware that misuse may result in criminal sanctions. The OIGS also concluded the information was physically secure and protected from access by unauthorized individuals. However, systems access had not been monitored as required by the MOU. As a result, an individual who separated from the University was not removed from the system user role until seven months after retirement. The retiree did not access DAVID during the seven-month period. Additionally, unauthorized use of DAVID information went undetected. The unauthorized use was personal in nature and there is no evidence that the information was disseminated.

Prior to concluding our audit, OBS/TAPS notified the DHSMV of its intentions to terminate their Memorandum of Understanding (MOU), Contract Number HSMV-0082-16, effective June 5, 2017.

Student Financial Aid

The purpose of this audit was to evaluate the University’s administration and oversight of student financial aid, in accordance with applicable laws, rules, regulations, and written policies and procedures. Total financial aid disbursements for the 2015-16 aid year\(^6\) were $388,429,498 with 36,480 different students receiving aid.

The Office of Financial Aid (OFA) exists to assist students with securing federal, state, and institutional financial aid to achieve their degrees. Each year, OFA awards and administers more than 350 million dollars in financial aid to eligible students. Students

\(^6\) The 2015-16 financial aid year includes fall 2015, spring 2016, and summer 2016 terms.
receive aid in the form of grants, work-study, loans, and scholarships—funds that help them to focus on their education and complete their degrees.

Our audit testing covered the fall 2015 and spring 2016 terms and included testing of Federal Student Aid, Florida Bright Futures Scholarships (Bright Futures), Athletic Aid, and the Differential Florida State University (FSU) Grant.

Our audit objectives were to:

1) Evaluate key internal controls over the University's financial aid processes;

2) Determine the University's compliance with applicable financial aid policies, procedures, and funding source requirements;

3) Assess the accuracy of financial aid disbursements, i.e., whether they are made to the correct students from the correct funding sources in the appropriate amounts; and

4) Determine whether the University has effective policies and procedures in place to administer and monitor the awarding of financial aid to student-athletes in accordance with National Collegiate Athletic Association (NCAA) requirements.

Overall, we concluded that OFA has good internal controls in place over the University's financial aid processes. Generally, the University is in compliance with applicable financial aid policies, procedures, and funding source requirements and the financial aid disbursements are accurate. In addition, the University generally has effective policies and procedures in place to administer and monitor financial aid to student-athletes in accordance with NCAA requirements. All of the students in our federal aid sample were eligible to receive federal aid, and OFA performed verification on all students who were required to be verified. We did, however, improvements that could be made—primarily to cost of attendance calculations, reconciliation of Bright Futures awards, and monitoring of athletic aid scholarships.

We identified 12 opportunities for improvement.

An action plan was developed by Office of Financial Aid and Office of Athletics Compliance to address each of these identified issues/recommendations.
The objectives of our audit were to determine whether the corrective actions implemented to address findings reported in the OIGS Audit of the Athletics Department, Report AU11-02, dated March 28, 2011, continue to be followed and effective and to identify and address any new issues that appear significant to camp operations.

Specifically, our objectives were to determine whether:

- Each summer camp coach-owner had been provided explicit authority to operate a camp in their employment agreement with the University;
- Compensation paid to University employees working in the summer camps in the normal course of their employment was included in the University’s payroll;
- Workers’ Compensation Insurance was carried on camp personnel not employed by the University, including student-athletes, and on University-employees working for the camp outside their regular employment;
- The levels of liability insurance coverage carried by the summer camps were consistent with University requirements and the University was named as an additional insured;
- Camps completed background checks of personnel working with minors as required by Florida Statute; and
- Summer camp operating contracts between the Athletics Department and coach-owners were current and complied with select federal and state laws.

In addition, we considered the risk related to any new issues identified since our last audit that need to be addressed going forward.

Overall we concluded that the Athletics Department, in conjunction with the coach-owned camps, has addressed many of the issues identified in our previous audit. Authority to operate a summer camp was added to the contracts of two coaches who did not previously have explicit written authority. The Athletics Department and coach-owned camps began processing supplemental summer camp pay for University employees as a fringe benefit of employment. The University has been named as an additional insured in all policies. Also, one of two summer camps that did not previously carry Worker’s Compensation insurance subsequently purchased coverage. Furthermore, the Athletics Director increased the focus on background checks for the 2016 summer camps and reported he will take action to respond to our concerns related to Workers’ Compensation coverage for football camps.

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7 A third camp mentioned in the prior audit, an athletics training camp, has not operated recently.
Our specific findings were as follows:

**Coach Authority to Operate Summer Camp**

One of the 10 head coaches, the cross-country coach, did not have explicit authority to operate a summer camp included in his employment contract or University position description.

**Employment Classification**

Seven of the nine camps properly processed employment taxes through the University for University employees who worked for the camps in the course of their employment. As a result, the payments were properly reported as a fringe benefit of employment. However, the volleyball and cross-country camps classified FSU employees working for the camps in the course of their employment as independent contractors for federal tax purposes. These camps should have, but had not processed the FSU employees’ compensation through University payroll as a fringe benefit.

At least nine of the 10 camps paid summer camp workers (who were not University employees), including student-athletes, as independent contractors when the individuals may have been more appropriately paid as camp employees. By paying these individuals as independent contractors, as opposed to camp employees, the coach-owned camps did not withhold or remit employment taxes.

**Workers’ Compensation Coverage**

Nine of the ten summer camps purchased Workers’ Compensation Insurance coverage as required in Chapter 440, Florida Statutes. However, the football summer camp has not carried Workers’ Compensation since May 2013, two years after our prior audit. As a result, if one of the workers were to be injured, including student-athletes, they would not be covered by Workers’ Compensation. They likely also would not be covered by health insurance, as the injury would be work-related.

**Liability Insurance Coverage**

The coach-owned camps carry general liability insurance levels required by the University to protect the camps, their employees, and the University from claims involving bodily injury or property damage. However, as student-athletes are paid as independent contractors, rather than as employees, the insurer for all but the golf camp reports that the student-athletes would not have coverage. Absent general liability insurance coverage, the student-athletes are individually liable for claims filed against them for bodily injury or property damage. These expenses may include the cost of hiring an attorney, out-of-court settlements, and judgments awarded by courts.

**Background Checks**

Compliance with background check laws was improved after the release of our 2011 audit; however, there was a change in personnel in several key roles in the Athletics Department and non-compliance again occurred in the 2015 summer camps, especially in the football summer camp where 156 of 280, or 66%, of camp workers did not complete background checks. In March 2017, we were provided documentation that shows the football camp improving compliance for the summer 2016 camps. The unaudited documentation shows a decrease in the number of camp workers over the previous summer by 65 percent—from 280 to 98 workers, and that 17 of the 98 paid workers, or 17 percent, did not complete background checks.

**Contracts between the Athletics Department and Coach-Owned Camps**
In 2011, the Athletics Department and head coaches entered into contracts providing the expectations to be met when operating a coach-owned summer camp. These contracts are not current and compliance with these contracts has not been monitored or enforced.

We had ten recommendations to address issues identified during the audit.

Management developed an action plan to address these issues.

**Systems Security in the College of Motion Picture Arts**

The purpose of the audit of information security administered by the College of Motion Picture Arts (CMPA) was to determine whether controls were in place to protect data from unauthorized access. University Information Security and Privacy Office (ISPO) and Information Technology Administration Partnership Program (ITAPP) personnel provided subject matter expertise for this project.

We concluded that CMPA has applied adequate security controls to its administration and faculty network infrastructure. However, we identified several opportunities to improve controls and reduce the risk of unauthorized access to the University’s network and to electronic information. We had 14 recommendations to improve controls. More detail is not provided here, as this audit report is not a public record. Management developed an action plan to address each of these recommendations.

**Student Tuition and Associated Fees**

The purpose of this audit was to evaluate the University’s administration and oversight of student tuition and fees, in accordance with applicable rules and regulations. The total amount of student tuition and fees for the 2015-16 fiscal year was $253.3 million, net of scholarship allowances of $125.6 million.

According to its website, the mission of the Controller’s Office is to provide oversight and management to ensure the integrity of all University financial affairs and to actively promote and monitor compliance with appropriate State and Federal financial and
tax laws and regulations. Student Business Services (SBS) within the Controller’s Office is responsible for the assessment of tuition and fees. The Office of the University Registrar serves as the custodian of permanent academic records for past and currently enrolled students. The assessment of tuition and fees requires a coordinated effort between the Controller’s Office, the Office of the University Registrar, and other University entities to properly assess tuition and fees.

Our audit objective was to determine whether the University’s administration and oversight of student tuition and associated fees were in accordance with applicable laws, rules, and regulations, as well as University policies and procedures. Ultimately, this audit’s purpose was to verify whether FSU students—both undergraduate and graduate—were being assessed the correct tuition and associated fees, based on their individual circumstances.

The scope of our audit encompassed tuition, typical fees associated with tuition (associated fees), and other instruction-related fees for the 2016 fall semester. Associated fees are instruction-related fees assessed when students register for courses. Other instruction-related fees include the repeat course and excess credit hour surcharges. Fees specific to online distance learning, additional cost, and lab and equipment fees were excluded from the scope of the audit.

Our conclusions were as follows.

Overall, our audit determined the University has strong controls to ensure the assessment of tuition and associated fees is in accordance with Florida Statutes, Florida Board of Governors regulations, and University regulations. For our audit period of fall 2016, the University assessed a total of $158.2 million in student tuition and fees and received payments from students, scholarships, and other entities totaling $157.8 million, as of April 30, 2017. We applied testing procedures to $152.3 million in student tuition and associated fees assessments, or 96 percent of the total fees assessed by the University for the 2016 fall semester. In addition, we tested $24,006 of a total of $424,147 (six percent) in excess credit hour surcharges and tested $17,438 of a total of $184,524 (nine percent) in repeat course surcharges.

The Controller’s Office is to be commended—along with the various University entities it works with in the assessment of tuition and fees (particularly, the Office of the University Registrar and the individual academic departments).

We did identify opportunities for improvement.

Tuition and Associated Fees:

1) The University’s Board of Trustees annually approves Regulation FSU-2.024 Tuition and Fees. The regulation establishes per credit hour rates for the University’s Main Campus, Panama City and Sarasota Campuses, the Law School, the College of Medicine, and other professional programs. Credit hour rates specific to off-campus distance learning.
courses are not included in the University’s Tuition and Fees regulation or other University regulations or policies. It has been the University’s informal practice to assess off-campus distance learning rates to students enrolled in on-campus courses at the University’s Main Campus. For the 2016 fall semester, we identified 63 distance-learning students enrolled in on-campus (non-distance learning) courses at the University’s Main Campus. The 63 distance-learning students were assessed tuition and associated fees at per credit hour rates established for off-campus distance learning courses even though they were taking at least one course on campus. Distance learning rates do not include fees for student health, transportation access, and student facility use. This practice resulted in $8,959 of Main Campus fees that were not assessed for the fall 2016 semester. In addition, of the 63 distance-learning students, we noted 12 who obtained Main Campus parking permits for the 2016-17 academic year without being assessed a transportation access fee. After bringing this issue to the attention of Transportation and Parking Services, the department modified its parking permit system to only issue parking permits to students who have been assessed transportation access fees. Starting with the fall 2017 semester, Transportation and Parking Services will begin deactivating student parking permits that are associated with student accounts that have changed to non-affiliated/inactive.

We offered two recommendations to address the issues identified during our audit. An action plan was developed by Student Business Services and the Office of the University Registrar to address each of these identified issues/recommendations.

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-end were:

- Seminoles Boosters - College Town Project;

Other Instruction-Related Fees:

2) We noted one instance in which a student was over-assessed $525 in excess credit hour surcharges. The over-assessment was caused by a manual entry error when excess credit hour surcharge adjustments were entered into the University’s Campus Solutions system. The over-assessment was an outlier and not a pervasive issue with the University’s excess credit hour surcharge assessment process. After Student Business Services was notified of the over-assessment, adjustments were made to the student’s account to correct the over-assessment, resulting in a $525 refund for the student. Additionally, the Office of the University Registrar modified its Campus Solutions configuration to prevent multiple excess credit hour surcharges and created two Campus Solutions queries to identify potential discrepancies in excess credit hour surcharges that post to a student’s financial account.
• University Coordination of Response to International Incidents;
• Florida Center for Advanced Aero-Propulsion (FCAAP) Polysonic Wind Tunnel) Auxiliary;
• Chemical Inventory Controls;
• Title IX;
• Student Tuition and Fee Waivers – Undergraduate;
• Business Practices Enhancement Program (BPEP) – Ringling;
• Cyber Security Training Audit;
• Florida Psychological Association; and
• Jeanne Clery Act;

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 35 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, 2017

Follow-up on the Implementation of Recommendations
Fiscal Year 2016-17
The OIGS maintains two hotlines, Ethics Point 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 anonymous.

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 an 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 such a complaint for review and action deemed appropriate, and requests management to 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 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 2016-17

At the close of the prior fiscal year ended June 30, 2016, we had two Standard Investigations, three Management Referrals, and two Preliminary Investigations, for a total of seven cases that remained open and were carried forward to the 2016-17 fiscal year.
Between July 1, 2016 and June 30, 2017, the OIGS opened 37 new cases, which included 11 cases that were brought to us anonymously. Together with the seven cases carried over from the prior fiscal year, the OIGS managed 44 investigative cases during 2016-17.

### NEW CASES OPENED 2016-17

<table>
<thead>
<tr>
<th>Category</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fraud/Theft</td>
<td>8</td>
</tr>
<tr>
<td>Misuse of University Resources</td>
<td>5</td>
</tr>
<tr>
<td>Misconduct</td>
<td>9</td>
</tr>
<tr>
<td>Lack of Compliance with Policy</td>
<td>8</td>
</tr>
<tr>
<td>Information</td>
<td>7</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>37</strong></td>
</tr>
</tbody>
</table>

The OIGS reviews and evaluates each complaint received to determine how it should be processed. During fiscal year 2016-17, of the new cases opened, one complaint was determined to require a standard investigation, one was referred to FSU Police Department (FSUPD) and required our assistance, and we assisted the FSUPD in two additional cases. We were referred seven complaints of retaliation under the Whistle-blower Act, which required a determination whether the information provided reasonable cause to call for an investigation. Fourteen 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 12 complaints were either referred to management or required further inquiry.

Regarding Whistleblower Act investigations, the 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. As mentioned, during the fiscal year, there were seven Whistle-blower complaints, which are included in the count of 37 new cases mentioned above. None of these complaints was found to qualify for investigation under the Whistle-blower Act.

Thirty-seven of the 44 investigative projects underway during the year were completed and/or closed in 2016-17. Seven cases were in process at fiscal year-end and carried over into the 2017-18 fiscal year.

The management of investigations in fiscal year 2016-17 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>2</td>
</tr>
<tr>
<td>Investigative Memoranda</td>
<td>2</td>
</tr>
<tr>
<td>Closure Forms, Letters, and Emails</td>
<td>33</td>
</tr>
<tr>
<td>TOTAL</td>
<td>37</td>
</tr>
</tbody>
</table>

Results of a Significant Criminal Investigation

Investigation of the Facilities Department, Maintenance Pipe Shop

In October 2016, the OIGS initiated an investigation to address allegations made by an anonymous caller that a Pipe Shop employee was stealing copper from Florida State University and regularly completing
work orders in such a way as to require unnecessary overtime.

We substantiated the allegation, finding that the employee took scrap brass, copper, and steel from the University, selling the scrap and keeping the proceeds for personal gain. During the course of the investigation, we identified six additional Pipe Shop employees and a retiree who also participated in these activities. Further, we determined that a Pipe Shop employee took a non-functioning ice machine, which was required to be recycled or surplused by the University, for his personal use. We did not find support for the allegation that the employee in the allegation was regularly completing work orders in such a way as to require unnecessary overtime.

The FSUPD discussed charging a criminal violation of Florida Statutes 812.014, Theft, and 812.019, Dealing with Stolen Property, with the State Attorney's Office (SAO), Second Judicial Circuit. The SAO declined to prosecute, citing concerns with proving there was an intent to defraud and the appearance that the practice was an accepted behavior.

Subsequent to our investigation, five of the employees who participated in these activities resigned in lieu of termination. The other two employees, including the employee who was the subject of the initial investigation, were terminated from employment with the University.

FSU Office of Inspector General Services Receives Florida Law Enforcement Accreditation Status

During the 2016-17 fiscal year, our Office completed the process to apply for and receive accreditation as an Inspector General Office from the Commission for Florida Law Enforcement Accreditation. An official team of two Commission assessors evaluated the Office’s compliance with 46 Office of Inspector General Investigative Standards based on nationally recognized principles and standards. The evaluation found the Office in compliance with the 38 standards applicable to the FSU Office of Inspector General Services. Based on the assessment report given to the fourteen-member Commission board in June, they unanimously voted to award a Certificate of Accreditation to the FSU Office of Inspector General Services. The FSU Office of Inspector General Services became the first of the states’ 12 public universities to receive accreditation status from the Commission for Florida Law Enforcement Accreditation.
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 2016-17 was 67 percent. During the year, we starting using TeamMate, our new audit management program, and we had three different review teams conducting assessments of our Office. Two teams were for the Commission for Florida Law Enforcement Accreditation for our accreditation as an accredited Inspector General Office. The third team consisted of administrators from peer universities, who conducted our Quality Assurance Review for compliance with the Standards for the Professional Practice of Internal Auditing issued by The Institute of International Auditors.

The two graphs that follow show the planned versus actual direct service effort for fiscal year 2016-17 and a nine-year trend of direct service effort for fiscal years 2007-08 through 2016-17.

Activity Charts
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, one of our staff members was guest speaker 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 2016-17, 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;
- Tallahassee Chapter of the Institute of Internal Auditors; and
- Tallahassee Chapter of ISACA.

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.

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 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 2016-17 appear in the following chart:

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>AVERAGE RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionalism</td>
<td>4.56</td>
</tr>
<tr>
<td>Relations of Staff</td>
<td>4.56</td>
</tr>
<tr>
<td>Communications</td>
<td>4.50</td>
</tr>
<tr>
<td>Technical Knowledge</td>
<td>4.39</td>
</tr>
<tr>
<td>Helpfulness</td>
<td>4.31</td>
</tr>
<tr>
<td>Report was Unbiased</td>
<td>4.33</td>
</tr>
<tr>
<td>Report was Issued Timely</td>
<td>4.00</td>
</tr>
<tr>
<td>Clear and Accurate Report</td>
<td>4.42</td>
</tr>
<tr>
<td>Provided Value</td>
<td>4.25</td>
</tr>
<tr>
<td>Overall Average</td>
<td>4.38</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 2017-18 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 2017-18.
Allocation of Time for 2017-18

Annual Work Plan 2017-18

<table>
<thead>
<tr>
<th>A. Audit Projects Carried Forward from 2016-17 Work Plan</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17 Audit Projects Carried Forward to Be Completed in 2017-18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jeanne Clery Act – Annual Security Report</td>
<td>219</td>
<td></td>
</tr>
<tr>
<td>University Coordination of Response to International Incidents</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Review of College Town Financial Statements</td>
<td>225</td>
<td></td>
</tr>
<tr>
<td>Florida Center for Advanced Aero-Propulsion (FCAAP Polysonic Wind Tunnel) Auxiliary</td>
<td>256</td>
<td></td>
</tr>
<tr>
<td>Chemical Inventory Controls</td>
<td>331</td>
<td></td>
</tr>
<tr>
<td>Title IX</td>
<td>609</td>
<td></td>
</tr>
</tbody>
</table>
Student Tuition and Fees Waivers - Undergraduate 650
Business Practices Enhancement Program (BPEP) – Ringling 789
Cyber Security Training Audit 571
Florida Psychological Association 248

Total Hours for Audit Projects Carried Forward from 2016-17 Work Plan 4,018

<table>
<thead>
<tr>
<th>B. New Audit Projects for 2017-18</th>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>State University System Performance-Based Funding (Mandatory)</td>
<td>730</td>
<td></td>
</tr>
<tr>
<td>Audit of the Registrar's Office's Internal Controls over the Driver and Vehicle Information Database (DAVID) (Mandatory)</td>
<td>160</td>
<td></td>
</tr>
<tr>
<td>Business Practices Enhancement Program – Florida State University Schools</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>Sciquest/Jaggaer (FSU SpearMart) Electronic Procurement System</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable Decentralized Batch Upload in University Departments</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Seminole Boosters – Financial Reporting and Collection of Booster Pledges Internal Controls</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Business Services – Contracts Management</td>
<td>850</td>
<td></td>
</tr>
<tr>
<td>Business Practices Enhancement Program – College of Engineering*9</td>
<td>253</td>
<td></td>
</tr>
<tr>
<td>Capital Projects Broad Scope – Earth, Ocean, and Atmospheric Sciences (EOAS) Building*</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>University Disaster Recovery and Business Continuity Plan*</td>
<td>131</td>
<td></td>
</tr>
<tr>
<td>Center for Leadership and Social Change - Operational Audit including Cash Handling (Similar to Office of Inspector General (OIGS) BPEP)*</td>
<td>207</td>
<td></td>
</tr>
<tr>
<td>Sponsored Research Services – Post Award (Formerly Sponsored Research Accounting Services (SRAS))*</td>
<td>139</td>
<td></td>
</tr>
<tr>
<td>Direct Support Organizations (DSOs) External Audits – Financial Report Reviews (Required)</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>DSOs IRS Form 990 Reviews (Required)</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Management of RSM Construction Consulting Project -- University Housing Replacement Phase II (Required)</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Management of RSM Construction Consulting Project -- Doak Campbell Stadium Renovations (Required)</td>
<td>56</td>
<td></td>
</tr>
<tr>
<td>Fraud and Internal Controls Training to University Entities (Required)</td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

Total Hours for New Audit Projects Begun in 2017-18 6,102

9 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, 2018-19.
### C. Follow-Up Projects for 2017-18

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>419</td>
</tr>
</tbody>
</table>

**Follow-up activities for previously completed audits**

**Total Hours for Follow-Up Projects for 2017-18** 419

### D. Contingency for 2017-18

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>370</td>
</tr>
</tbody>
</table>

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

Graduate Assistant Fee Waivers, Network Security – Servers not under Control of Information Technology Services, Registered Sponsored Organizations Domestic Travel, Selected Centers and Institutes, the Concur Travel System, and Student Government have priority status as audits to begin during fiscal year 2017-18, provided we have unforeseen available hours for them.

**Total Hours for Contingency for 2017-18** 370

### E. Investigations for 2017-18

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,231</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 2017-18** 1,231

**Total Direct Service Hours for 2017-18** 12,140

### F. Audit Management and Administration for 2017-18

<table>
<thead>
<tr>
<th>Hours</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,295</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 maintenance of audit software and efforts towards continued accreditation in investigations.

**Total Audit Management and Administration** 6,295

**Total Hours for 2017-18** 18,435