

Florida A&M University
Audit Committee Meeting

August 7, 2013

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2013 Internal Audit dashboard

Issued – Through July 2013

Project	Plan Year	Status	Number of Findings	Number of Red Findings	Findings Implemented by Report Date	Red Findings Implemented by Report Date
Decentralized Cash Collections	2012/2013	Issued – March 2013	4	0	4	N/A
Voyager Card Program	2012/2013	Issued – June 2013	9	0	0	N/A
Life gets Better Scholarship Program	2012/2013	Issued – July 2013	3	0	2	N/A
Grade Change Controls	2012/2013	In process – estimated completion August 2013	-	-	-	-
			-	-	-	-
TOTALS			16	0	6	N/A

Findings follow-up – as of July, 2013

Finding rating	Late	Revised	Open	Closed	Total
Red	-	-	-	-	-
Yellow	-	-	4	3	7
Green	-	-	5	4	9
Totals	-	-	9	7	16
	0%	0%	9%	91%	100%

Follow-up includes reports issued through July 2013 and recommendations due through July 2013. Management will discuss these results at the Audit Committee meeting.

Summary of Late Findings (NONE)

Finding rating	Finding Description	Management's Action Plan	Reason
Red 1			
Red 2			
Yellow 1			
Green 1			
Green 2			
Green 3			
Green 4			
Green 5			

Risk rating definitions

The following risk rating definitions are used in assessing the relative risk of internal audit observations and do not represent an opinion on the adequacy or effectiveness of internal controls. Responsible administration is responsible for assessing whether the controls the University has implemented are adequate to meet its operational, compliance and financial reporting objectives.

- **High:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) could significantly affect the operation's ability to achieve its strategic objectives
- **Medium:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) could moderately affect the operation's ability to achieve its strategic objectives
- **Low:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) would not significantly affect the operation's ability to achieve its strategic objectives




Internal audit projects completed (January 2013-June 2013)

Voyager Card Program

Process Owners – Facilities and Construction and Administrative Services

Scope and objectives – Review controls over use of the Voyager Card and determine if only University related expenditures are reimbursed. We reviewed use of the card at 3 departments for the period July 1, 2011 through June 30, 2012.

Report results

Fieldwork	Report status	Findings
February-March 2013	Report issued June 2013	 0 Comment (Detailed on the following pages)  4 Comments  5 Comments

1. FINDING Fuel Card Purchases

Finding	Risks
<ul style="list-style-type: none"> ▶ A significant percentage of fuel purchases were made at Tallahassee locations using the Voyager card. 	<ul style="list-style-type: none"> ▶ Risk – Purchases could be made for non-university use
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: Fuel card purchases should be reviewed to determine if all travel associated with these purchases is necessary, or whether alternate arrangements can be utilized.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ Travel will be more closely coordinated and the University pumps used when possible. 	<p>Responsibility: Kendall Jones Interim Associate Vice President, Construction and Facilities Management and applicable department heads</p> <p>Due Date: 08/31/2013</p>

2. FINDING Policies and Procedures Manual

Finding	Risks
<ul style="list-style-type: none"> ▶ The procedures governing operation of the Program were not complete. 	<ul style="list-style-type: none"> ▶ Risk – personnel may not have the guidance to adequately perform their duties, resulting in loss of efficiency and effectiveness in delivery of services
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: The policies and procedures should be reviewed and revised to provide comprehensive procedures covering all Voyager card related activities.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ The operation of the Program will be reviewed. 	<p>Responsibility: Kendall Jones Interim Associate Vice President, Construction and Facilities Management and applicable department heads</p> <p>Due Date: September 2013</p>

3. FINDING Reconciliations

Finding	Risks
<ul style="list-style-type: none"> ▶ Reconciliations of charges per invoices with statements from the Voyager Program were not performed. 	<ul style="list-style-type: none"> ▶ Risk – charges may not be authorized or documented

3. FINDING Reconciliations

Recommendations and management action plans	Action owner/timetable
<p>Recommendation: Reconciliations of charges per invoices with charges per the statements should be performed monthly.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ A reconciliation process has been developed. 	<p>Responsibility: Kendall Jones Interim Associate Vice President, Construction and Facilities Management and applicable department heads</p> <p>Due Date: July 2013</p>

4. FINDING Training

Finding	Risks
<ul style="list-style-type: none"> ▶ Departments are not provided training on policies and procedures governing the Program or use of the Voyager cards. 	<ul style="list-style-type: none"> ▶ Risk – purchases may be unauthorized or not adequately documented ▶ Risk – guidelines may not be complied with
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: Training should be conducted for staff of all departments using the Voyager card.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ The operation of the Program will be reviewed. 	<p>Responsibility: Kendall Jones Interim Associate Vice President, Construction and Facilities Management and applicable department heads</p> <p>Due Date: September 2013</p>

Decentralized cash collections

Process owners – Journalism, Auxiliary Services, and Library

Scope and objectives: Audit of decentralized cash collection points for 2011-12 at 3 of 16 collection points

Report results

Fieldwork	Report status	Findings
February-March 2013	Completed March 2013	<ul style="list-style-type: none"> ● 0 Comments ● 2 Comments ● 2 Comments

1. Segregation of Duties

Finding	Risks
<ul style="list-style-type: none"> ▶ Duties were not adequately separated and mitigating controls were not implemented at the Library and FAMUAN. 	<ul style="list-style-type: none"> ▶ Risk- An error or irregularity could be committed and not be detected in the normal conduct of duties
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: Duties should be adequately separated or mitigating controls implemented.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ Corrective actions have been implemented 	<p>Responsibility: Library – Ruth Swan, Interim Director of Libraries; FAMUAN – Valerie White Director, Division of Journalism</p> <p>Due Date: Implemented</p>

2. Background Checks

Finding	Risks
<ul style="list-style-type: none"> ▶ An employee of the FAMUAN who is involved in collecting, depositing, and reconciling cash, did not have a FDLE background check 	<ul style="list-style-type: none"> ▶ Risk – Lack of assurance that the individual has not engaged in improper activities in the past

2. Background Checks

Recommendations and management action plans	Action owner/timetable
<p>Recommendation: All employees involved in the cash collection process should have a FDLE background check.</p> <p>Management response:</p> <ul style="list-style-type: none">▶ Corrective actions have been implemented by having a background check.	<p>Responsibility: FAMUAN – Valerie White Director, Division of Journalism</p> <p>Due Date: Implemented</p>

LIFE GETS BETTER SCHOLARSHIP PROGRAM

Process owners – Student Affairs and University Advancement

Scope and objectives: Review controls over the scholarship awards and determine whether recipients met eligibility requirements for 2011-12

Report results

Fieldwork	Report status	Observations
March-May 2013	Issued June 2013	<ul style="list-style-type: none"> ● 0 Comments (Detailed on the following pages) ● 1 Comment ● 2 Comments

1. Funding Source Requirements	
Finding	Risks
<ul style="list-style-type: none"> ▶ Awards are made without reference to the restrictions in the agreement with the donor. 	<ul style="list-style-type: none"> ▶ Risk – Students receive awards who do not meet eligibility requirements specified by donors.
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: Recipients should be matched to a specific donor agreement to ensure that awards are made to those who meet the criteria specified by the donor.</p> <p>Management response:</p> <ul style="list-style-type: none"> ▶ The FAMU Award and Scholarship Tracking System is currently being used to manage the award process. 	<p>Responsibility: William D. Hudson, Vice President Student Affairs and Thomas Haynes Vice President University Advancement</p> <p>Due Date: Implemented</p>

Status of investigations

During the period from January 2013 through June 2013, the Division received 31 allegations/complaints. Of these, 16 have been closed, 6 are in progress, 1 was referred to another department for review, and the remaining 8 are pending investigation.

In-process & upcoming projects

Project	Expected timing of fieldwork	Comments
Follow up – SACS, Ernst & Young audits, operational audit, and federal audit	In-process	▶ Expected completion –August 2013
ACE Academic Support Services review	September 2013	▶ In planning phase
Assessment of Compliance with Section 1009.24, Florida Statutes	October 2013	▶ In planning phase

Other projects

The Division's other activities have included submission of status reports to the Board of Governors. In addition, a self assessment of the Division has been completed, and the quality assurance review is in process.

