

ANNUAL REPORT

2021-2022



OFFICE OF INSPECTOR GENERAL SERVICES

FLORIDA STATE UNIVERSITY



TABLE OF CONTENTS

- 04** Message from the Chief Audit Officer
- 05** Office of Inspector General Services Staff
- 06** Authority for Office
- 07** Purpose, Mission, & Vision
- 08** Audits Issued for FY 2021-2022
- 08** Follow-Up
- 09** Quality Assurance and Improvement Program
- 09** Information Technology Audit
- 10** Investigations
- 11** Types of Investigation Activities
- 12** Investigative Activity for FY 2021-2022
- 12** Whistle-Blower Protection
- 13** Risk Assessment Process
- 13** Professional Activities
- 13** Certifications
- 13** Provision of Training to the University Community
- 14** Post-Project Surveys
- 15** Annual Audit Plan for FY 2022-23



FLORIDA STATE UNIVERSITY
OFFICE OF INSPECTOR GENERAL SERVICES



MESSAGE FROM THE CHIEF AUDIT OFFICER (CAO)

Per Board of Governors (BOG) Regulation 4.002(8), "By September 30th of each year, the chief audit executive shall prepare a report summarizing the activities of the office for the preceding fiscal year". In addition, BOG Regulation 4.002(6)(d) states, "The chief audit executive shall develop audit plans based on the results of periodic risk assessments. The plans shall be submitted to the board of trustees for approval." Our FY 2022-2023 (FY 22-23) Annual Audit Plan was submitted to the Audit & Compliance Committee (A&C) of the Board of Trustees (BOT) for approval on September 1, 2022.

I assumed the position of Chief Audit Officer (CAO) for Office of Inspector General Services (OIGS) in May 2022. I would like to thank the entire OIGS team for helping me prepare this annual report which summarizes our activities for fiscal year 2021-2022 (FY 21-22). For this past FY 21-22, we completed 6 audits and 4 investigations. Two of the 6 audits were the Performance-Based Funding (PBF) audit and Preeminence Research University Metrics Data Integrity Certification audit which are required by Florida Statute and directed by the State University System BOG. These audits assist our Florida State University (FSU) President (President), BOT Chairman, the BOT, and the BOG with obtaining independent assurance that data submitted by FSU to the BOG is valid and reliable. We also had 6 audits which are in-progress which will be completed in FY 22-23.

One of our department goals is to issue fair and objective audit reports. Upon issuance, the respective manager takes full responsibility and ownership for ensuring the action plan is implemented. OIGS completed 2 follow-up reviews for FY 21-22. These reviews help provide assurance to management that internal control weaknesses have been remediated and are functioning as intended.

For FY 22-23, I look forward to OIGS playing a more critical role throughout the University in various areas (e.g., new technology implementations, growth and expansions, cybersecurity, cloud services, new external relationships, and new initiatives). In addition, we will place more emphasis on improving our internal processes and strengthening partnerships and collaborations with Colleges, Departments, faculty, and staff.

Thanks President McCullough, the BOT, and the BOT A&C for your continued support.

Undra Baldwin, MS CYBR, CIA, CISA, CDPSE, CFE, CIG
Chief Audit Officer | Florida State University

FLORIDA STATE UNIVERSITY

Office of Inspector General Services Staff

The CAO reports functionally to the BOT A&C and administratively to the FSU President. This reporting relationship promotes independence and assures adequate consideration of audit findings and planned actions. OIGS staff reports to the CAO as noted in organizational chart below.



Heather Friend, CPA, CIA, CIG
Director of Audits



Curtis Henker
Senior Auditor



HeJanice L. Foley, MBA, CPA,
CISA, CFE, CRMA, CIG
Director of Audits



Sudeshna Aich, MBA, CISA,
CDPSE
Senior IT Auditor



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



Pamela Damitz, MPA, CFE, CIG
Investigations Manager



Ruoxu Li, MPA, CIA, CISA
Senior Auditor



Candace Tibbetts
Office Administrator

We currently have 2 vacant Auditor positions which will be filled once qualified candidates are identified.



Office of Inspector General Services

AUTHORITY FOR THE OFFICE

The President and BOT initially approved a charter for the Office of Audit Services in September 2003. In November 2016, the BOG adopted Regulation 4.002 – State University System Chief Audit Executives. The charter was reaffirmed by the BOT in June 2021.



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.

OIGS 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 OIGS during the audit process or through reporting by University faculty, staff, students, or the general public.

MISSION

OIGS' mission is to provide an independent, objective, and comprehensive program of auditing and investigations; 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 OIGS' 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.

2021-2022 Audits Issued

Internal audits are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing (Standards)* which are included on the Annual Audit Plan which is approved by the President and the BOT.

The following audits were completed during 2021-22.

	COMPLETED PROJECTS	PROJECT TYPE
1	FAMU-FSU College of Engineering	Audit
2	University's Compliance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) Institutional Portion	Audit
3	FSU OIGS Six-Month Follow-Up Report Ending June 30, 2021	Follow-up
4	2021-22 Performance-Based Funding Metrics Audit & Data Integrity Certification	Audit
5	2021-22 Preeminent Research University Metrics Audit and Data Integrity Certification	Audit
6	Secure Configuration of Information Technology Services Managed Mobile Devices	IT Audit
7	Procurement Controls and Departmental Accountability for Attractive Items Held and Acquired During the Pandemic	Audit
8	FSU OIGS Six-Month Follow-Up Report Ending December 31, 2021	Follow-up



FOLLOW-UP

In conformance with the *International Standards for the Professional Practice of Internal Auditing*, OIGS follows up on audit observations and other significant issues to determine if planned actions communicated by the college or department have been implemented. Follow-up is performed annually and all observations are followed up until final resolution. Implementation of recommendations during FY 21-22 was 52%.



QUALITY ASSURANCE AND IMPROVEMENT PROGRAM (QAIP)

The Standards require the establishment of a quality assurance program to evaluate the operations of the internal auditing department. To this end, OIGS conducts ongoing monitoring primarily through continuous activities such as engagement planning and supervision, standardized working practices, work paper procedures and signoffs, report reviews, as well as identification of any weaknesses or areas in need of improvement. Based on our ongoing internal Quality Assurance and Improvement Program (QAIP), we believe OIGS complies with the Standards. In addition, OIGS participates in an external quality control review program that is conducted once every five years. The last external review, conducted in 2017, concluded OIGS fully complied with the Standards. Another external QAIP review will be conducted in August 2022.

INFORMATION TECHNOLOGY AUDIT

Information Technology Audit (IT Audit) is a function within OIGS that supports the University-wide effort to protect the University from sophisticated cyberattacks. In addition, IT Audit participates with the review of University-wide IT security controls and new technology implementations, regularly meets with Information Technology Services (ITS) management for updates on significant IT initiatives and participates in the IT Committee and State University Audit Committee for IT Auditors Groups (SUAC – ITAG) meeting. IT Audit also provides consultative and advisory services to University stakeholders including Northwest Regional Data Center (NWRDC) by assisting them appropriately with responses to external audit recommendations and following up on steps taken by NWRDC in response to the external audit.

To ensure IT Audit efforts are focused on the cybersecurity controls that have been determined to be of highest risk to the University, IT Audit has developed an IT Audit Annual Plan based on the Center for Internet Security (CIS) top 18 controls and the annual IT Risk Assessment. CIS prioritizes the 18 information security controls that should be in place in an organization to protect against the most pervasive and dangerous cyberattacks and map to many other frameworks including the National Institute of Standards and Technology Cybersecurity Framework, Payment Card Industry Data Security Standard, and the Health Insurance Portability and Accountability Act.

In addition, IT Audit provides technical assistance and feedback to other OIGS functions as it relates to IT controls.

Investigations

OIGS receives complaints and allegations reported directly from internal and external parties and through the University's EthicsPoint Hotline (Hotline). The Hotline is available for the reporting of suspected acts of fraud, waste, and abuse, including, but not limited to, mismanagement, violations of laws, rules, or procedures by University employees or contractors. Investigations may be based on concerns arising from existing investigations and audits. In addition, OIGS provides investigative assistance to the FSU Police Department (FSUPD) and other law enforcement entities, 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 the jurisdiction of OIGS are referred to the appropriate entity. Complainants can provide their contact information (if desired) or file a report anonymously.

Report Fraud, Waste, and Abuse

Make a Report

Online at fsu.ethicspoint.com

Telephone 855-231-7511 (toll free)

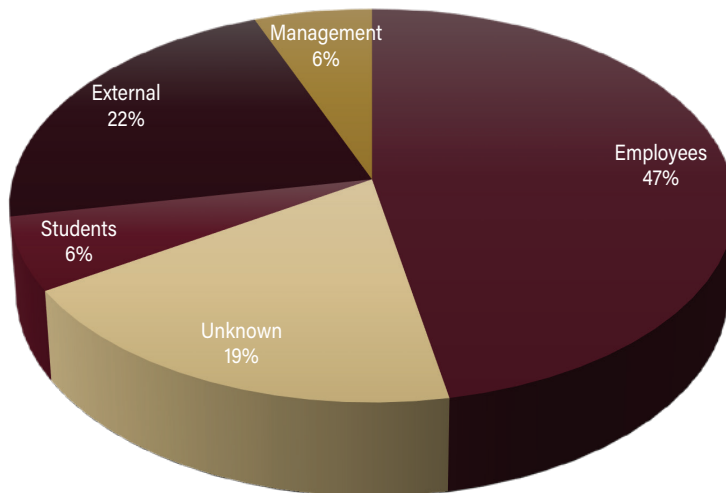
Contact the Office of Inspector
General Services Directly:

Office - 850-644-6031

FAX - 850-644-2576

Email - igs@fsu.edu

SOURCES OF INVESTIGATIVE PROJECTS



Employees	47%
Unknown	19%
Students	6%
External	22%
Management	6%

OIGS was accredited as an Inspector General Office by the Commission for Florida Law Enforcement Accreditation (CFA) during the 2016-17 fiscal year and received reaccreditation status on October 15, 2020. The Commission requires annual reporting of information related to accreditation compliance by January 31 each year. OIGS submitted our annual report to the Commission on January 10, 2022.

TYPES OF INVESTIGATIVE ACTIVITIES

1. **Standard Investigations (SI)** are opened when complaints allege violations of laws, rules, or policies and procedures related to suspected acts of fraud waste and abuse. Substantiated allegations are referred to management for their consideration and further action. If potential criminal activity is identified, the allegations are immediately referred to law enforcement.
2. **Preliminary Inquiries (PI)** are opened when a complaint is received and additional information needs to be obtained to determine whether an investigation is warranted. Once OIGS completes additional fact-finding, a determination is made whether to proceed with an investigation, close the complaint, or address the complaint without investigation.
3. **Management Referrals (MR)** are complaints received by OIGS that are the responsibility of management and do not require investigation. Our office refers these complaints for review and action deemed appropriate. OIGS 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 issues, our office may initiate an investigation.
4. **No Investigative Action (NI)** 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 on receipt.
5. **Criminal Assistance Investigations (CI)** are opened when OIGS receives allegations of a criminal nature that are referred to the appropriate law enforcement agency. They also occur when our assistance is requested in an ongoing criminal investigation by law enforcement. In these cases, the law enforcement agency is the lead and OIGS provides investigative assistance as requested.



Investigative Activity FY 2021-2022

For FY 2021-2022, OIGS opened 35 new cases. During FY 2021-22, of the complaints received: 1.) 4 were determined to require a SI; 3 complaints needed further information and PIs were conducted; 2.) 17 were classified as MRs, including cases to be managed by Human Resources, Academic Administration, University Health Services, Ethics and Compliance, Athletics Compliance; and Trademark Licensing; 3.) 3 were referred to FSUPD; 4.) 1 was referred to the Office of the Chief Inspector General; and 5.) 7 complaints were closed at intake and the complainants (if known) were provided disposition information or assistance as needed based upon the complaint type.

For the 4 SIs, 3 of these investigations were initiated from information provided by employees and the remaining investigation developed as a result of information from an external source.

NEW CASES OPENED 2021-22

Fraud/Theft	3
Misuse of University Resources	3
Misconduct	11
Time Abuse	2
Information	2
Criminal Referral to FSUPD	2
Other	10
Ethics	2
TOTAL	35

WHISTLE-BLOWER PROTECTION

The CAO's responsibilities also include the analysis of all complaints to determine if the criteria are met for whistle-blower protection pursuant to Section 112.3189, Florida Statutes. The complainant must be a current or former employee, contractor or contractor employee, or applicant for University or contractor employment. During the FY, 7 complaints were evaluated based upon whistle-blower criteria.

Of the 35 new and active investigative projects during the year, 30 were closed in FY 21-22.

RISK ASSESSMENT PROCESS

Each year, OIGS conducts a risk assessment of University activities and services. The risk assessment process includes interviews with the President, Vice Presidents, key administrators, and the Audit Chairperson of the BOT A&C. Feedback received through these interviews contribute significantly to the successful development of our Annual Audit Plan.

The Annual Audit Plan contains a detailed schedule of projects planned for the year.

PROFESSIONAL ACTIVITIES

OIGS is proud of the staff's experience and we continued our commitment to external organizations that support internal auditing and higher education and activities. OIGS staff belong to the following professional organizations:

- American Institute of Certified Public Accountants
- Association of Certified Fraud Examiners
- Association of College and University Auditors
- Association of Government Accountants
- Association of Inspectors General
- Florida Institute of Certified Public Accountants
- Information Systems Audit and Control Association
- Institute for Internal Auditors

CERTIFICATIONS

Our staff maintains various professional certifications demonstrating their continued commitment to the audit profession. Current certifications held by staff are:

- Certified Internal Auditor
- Certified Fraud Examiner
- Certified Public Accountant
- Certified Information Systems Auditor
- Certified Data Privacy Solutions Engineer
- Certified Government Auditing Professional
- Certified Inspector General
- Certified Inspector General Auditor
- Certification in Risk Management Assurance

PROVISION OF TRAINING TO THE UNIVERSITY COMMUNITY

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

OIGS provides training to faculty and staff, 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
- Other topics of interest to the requesting entity

Additionally, OIGS offers presentations to academic classes at the request of instructors.

Post-Project Surveys



Upon completing our audits and consulting engagements, OIGS forwards a post-project survey to the auditee or requesting College or Department. A rating scale of 1 to 5 (with 5 being the most favorable) is used to rate our performance. The compiled results from the surveys appear in the following chart:

CATEGORY	AVERAGE RATING
Professionalism	4.80
Relations of Staff	4.90
Communications	4.80
Technical Knowledge	4.60
Helpfulness	4.50
Clear and Accurate Report	4.60
Report was Unbiased	4.60
Report Improved Operations	4.50
Provided Value	4.50
Overall Rating	4.70
Average Rating	4.65

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

Audit Plan for FY 2022-2023

We look forward to working with our colleagues as we implement our 2022-23 Annual Audit Plan.

OPERATIONS, COMPLIANCE, AND FINANCIAL

1	State University System Performance – Based Funding (Annual Audit)
2	State University System Preeminence Funding (Annual Audit)
3	DSO's External Audits – Financial Reviews (Annual Review)
4	DSO's IRS Form 990 Reviews (Annual Review)
5	Data Security Audit of the Driver and Vehicle Information Database (DAVID) – Facilities
6	Data Security Audit of the Driver and Vehicle Information Database (DAVID) – Registrar
7	Transportation and Parking Services
8	FSUPD Property and Evidence Room Follow-Up
9	Florida State University School (FSUS) – Business Practices Enhancement Program (BPEP)
10	Student Materials and Supplies Fees
11	Earth, Ocean & Atmospheric Sciences Building – Capital Construction
12	Panama City Campus – Business Practices Enhancement Program (BPEP)
13	Intercollegiate Athletics – Ticket Sales Process and Software Systems Controls
14	Limitation and Control of Network Ports, Protocols and Services – University Wide
15	Graduate Admissions
16	Follow-up Audits

RESERVE AUDITS

1	University Housing – Internal Controls
2	Student Health and Wellness – Selected Business Practices
3	Facilities Design and Construction – Student Union

CARRYOVER AUDITS

1	Seminole Boosters – Athletics
2	Donor Intent – FSU Foundation
3	Primary Health Clinic – College of Medicine
4	Controlled Use of Administrative Privileges – Information Technology
5	Student-Athlete Medical Services
6	Quality Assurance Review – Self Assessment



FLORIDA STATE UNIVERSITY
OFFICE OF INSPECTOR GENERAL SERVICES

222 South Copeland Street
Westcott Building, Suite 407
P.O. Box 3061390
Tallahassee, FL 32306

Phone (850) 644-6031 | Fax (850) 644-2576 | igs@fsu.edu | igs.fsu.edu