

ANNUAL REPORT

2022-2023



OFFICE OF INSPECTOR GENERAL SERVICES

FLORIDA STATE UNIVERSITY



TABLE OF CONTENTS

- 04** Message from the Chief Audit Officer
- 05** Office of Inspector General Services Team
- 06** Authority for the Office
- 07** Purpose, Mission, & Vision
- 08** Audits Issued for FY 2022-2023
- 09** Information Technology Audit
- 10** Investigations
- 10** Whistle-Blower Protection
- 11** Follow-Up
- 12** Quality Assurance and Improvement Program
- 12** Risk Assessment Process
- 13** Professional Activities
- 13** Certifications
- 13** Provision of Training to the University Community
- 14** Post-Project Surveys



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."

The fiscal year (FY) 23-24 Annual Audit Plan (Plan) was discussed with the FSU President (President) in May 2023 and submitted to the Audit & Compliance Committee (A&C) of the Board of Trustees (BOT) for approval on June 15, 2023. One major factor that could prevent the completion of the Plan is the inability to fill open positions.

The following report includes our FY 22-23 activities, accomplishments, and information. FY 22-23 was my first full year in the role of Chief Audit Officer (CAO) for Florida State University's (University) Office of Inspector General Services (OIGS). We had a very productive FY 22-23, and I would like to personally thank the OIGS team for the hard work and support while learning a new methodology and various processes. For FY 22-23, we completed 25 audits, which is a 250% increase compared to the number of audits completed in FY 21-22. We had 1 audit that carried over into FY 22-23. Additionally, we completed 1 investigation in FY 22-23 compared to 4 investigations in FY 21-22.

One of our department goals is to issue fair and objective audit reports. The OIGS team validates and confirms the implementation of the action plans through the annual follow-up process. In FY 22-23, OIGS completed 1 follow-up review. This review helps provide assurance to management that internal control weaknesses have been remediated and are functioning as intended.

The departmental theme for FY 23-24 is "Work Smarter, Not Harder," as we will be purposeful in using automation and artificial intelligence and implementing agile auditing. We will continue to 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 A&C BOT, for your continued support.

Undra Baldwin, MS CYBR, MBA, CIA, CISA, CDPSE, CFE, CIG

FLORIDA STATE UNIVERSITY

Office of Inspector General Services Team

The CAO reports functionally to the A&C BOT and administratively to the 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



Jeffrey Caines, CIA, CFE, CGAP
Interim Investigations Manager



Sudeshna Aich, MBA, CISA,
CDPSE
Senior IT Auditor



Curtis Henker
Senior Auditor



Ruoxu Li, MPA, CIA, CISA
Senior Auditor



Candace Tibbetts
Office Administrator

We currently have 4 vacant 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 (OAS) in September 2003. Subsequently, in November 2012, the President approved changing the name from OAS to the Office of Inspector General Services (OIGS). In November 2016, the BOG adopted Regulation 4.002 – State University System Chief Audit Executives. The BOT reaffirmed the charter in June 2021.



PURPOSE

Internal auditing 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 public.

MISSION

OIGS' mission is to:

- Provide an independent, objective, and comprehensive program of auditing and investigations
- Advance accountability through the provision of assurance and consulting services and investigations
- 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.

VISION

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.

Audits Issued for FY 2022-2023

Internal audits on the Plan are conducted in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards).

The following audits were completed during FY 22-23.

OPERATIONAL AUDITS

- 1 Quality Assurance Review Self-Assessment with External Independent Validation
- 2 Student-Athlete Medical Services
- 3 Driver and Vehicle Information Database (DAVID) – Registrar
- 4 Facilities Data Exchange with the Department of Highway Safety and Motor Vehicles
- 5 Foundation Scholarships and Earmarked Gifts
- 6 FSU PrimaryHealth Clinic
- 7 Seminole Boosters Pledges
- 8 Student Materials and Supplies Fees
- 9 FSU Police Department Property and Evidence Operations Follow-Up
- 10 Transportation and Parking Services
- 11 Performance-Based Funding Metrics Data Integrity Audit
- 12 Preeminent Research University Funding Metrics Data Integrity Audit
- 13 DSO Financial Statement and IRS Form 990 Review
- 14 OIGS Follow-Up Report – Operational Audits





INFORMATION TECHNOLOGY AUDITS

1	Controlled Use of Admin Privileges – MagLab AD (Public Report)
2	Controlled Use of Admin Privileges – MagLab AD (Confidential Report)
3	Controlled Use of Admin Privileges – CoMed AD (Public Report)
4	Controlled Use of Admin Privileges – CoMed AD (Confidential Report)
5	Controlled Use of Admin Privileges – FSU AD (Public Report)
6	Controlled Use of Admin Privileges – FSU AD (Confidential Report)
7	Limitation and Control of ITS Managed Network PPS
8	Controlled Use of Admin Privileges – OMNI (Public Report)
9	Controlled use of Admin Privileges – OMNI (Confidential Report)
10	IT Audit Follow-Up (Public Report)
11	IT Audit Follow-Up (Confidential Report)

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 in 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.

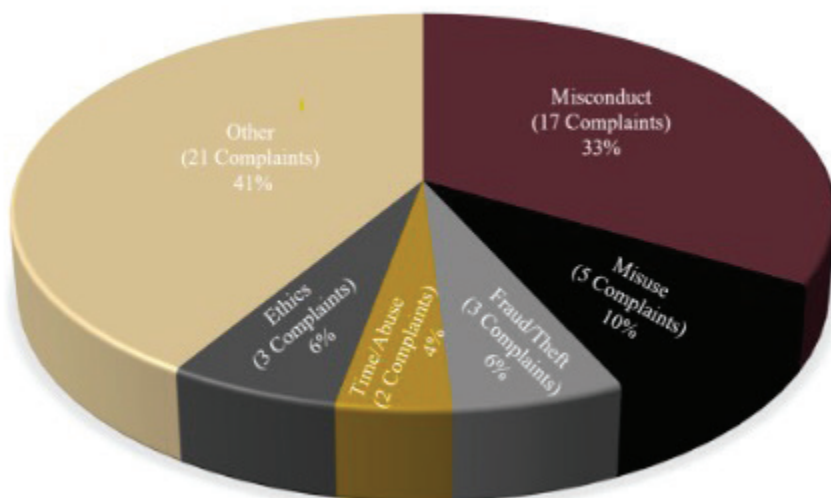
To ensure IT Audit efforts are focused on cybersecurity controls (one of the highest risks to the University), IT Audit has developed an IT Plan based on the Center for Internet Security (CIS) top 18 controls and the annual IT Risk Assessment. CIS prioritizes the information security controls that should be in place in an organization to protect against the most pervasive and dangerous cyberattacks and maps 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, etc. 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.

FY 22-23 INVESTIGATIVE CASES / INTAKES



<u>Sources</u>	
Employees	33%
External	35%
Anonymous	10%
Students	20%
Management	2%

OIGS was accredited by the Commission for Florida Law Enforcement Accreditation (CFA) during FY 16-17 and received reaccreditation status on October 15, 2020, and June 29, 2023. The CFA requires annual reporting of information related to accreditation compliance by January 31st each year. OIGS submitted the annual report to the CFA on January 19, 2023.

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.

FOLLOW-UP

In conformance with the Standards, OIGS follows up on audit observations and other significant issues to determine if planned actions communicated by the college or department have been implemented. The follow-up process is performed annually. All observations and issues are followed up until final resolution.

As of March 31, 2023, there were 55 outstanding operational audit corrective action items. Of those, 30 have been implemented/closed, and 25 are still outstanding/open.

As of March 31, 2023, there were 18 (4 public and 14 confidential) outstanding IT audit corrective action items. Of those, 10 (2 public and 8 confidential) have been implemented/closed, and 8 (2 public and 6 confidential) are still outstanding/open.



Quality Assurance and Improvement Program

The Standards require that the CAO develop and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activity to evaluate the operations of the internal auditing department. To this end, OIGS conducts ongoing monitoring primarily through continuous activities. Based on our ongoing internal QAIP, we believe OIGS complies with the Standards. In addition, OIGS participates in an external quality control review program that is conducted once every 5 years. The last external review, conducted in March 2023, concluded that OIGS fully complied with the Standards.

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 Chairperson of the A&C BOT. Feedback received through these interviews contributes significantly to the successful development of our Plan.





PROFESSIONAL ACTIVITIES

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

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

CERTIFICATIONS

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

- Certified Data Privacy Solutions Engineer
- Certified Fraud Examiner
- Certified Government Auditing Professional
- Certified Information Systems Auditor
- Certified Inspector General
- Certified Inspector General Auditor
- Certified Internal Auditor
- Certified Public Accountant

PROVISION OF TRAINING TO THE UNIVERSITY COMMUNITY

OIGS knows the importance of training and its benefits to the University and its employees' professional development. We are fully committed to this essential component of our services.

OIGS provides training to faculty and staff, including those outside of Tallahassee, FL (e.g., Ringling Museum of Art in Sarasota, Panama City Campus, etc.), 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



OIGS forwards a post-project survey to the auditee or requesting college or department upon completion of all audit projects and reviews. A rating scale of 1 to 5 (with 5 being the most favorable) is used to rate our performance. The compiled results for FY 22-23 appear in the following chart:

CATEGORY	AVERAGE RATING
Audit Process	4.39
Technical Knowledge	4.32
Reporting	4.56
Communications	4.55
Professionalism	4.60
Added Value	4.30
Average Overall Rating	4.45

The survey questions have been changed for FY 22-23 to provide better feedback for audit effectiveness and staff performance. The CAO and Auditor-in-Charge will discuss each category rating with staff to assess feedback received and continually strive to improve the services provided.

Take
the **Survey**





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