

FLORIDA STATE UNIVERSITY



Office of Inspector General Services

Annual Report

2020-2021

Office of Inspector General Services

SAM M. MCCALL, PHD, CPA, CGFM, CIA,
CGAP, CIG
CHIEF AUDIT OFFICER

HEATHER FRIEND, CPA, CIA, CIG
DIRECTOR OF AUDITS

JANICE FOLEY, CPA, CISA, CFE, CRMA, CIG
DIRECTOR OF AUDITS

JEFFREY L. CAINES, CIA, CFE, CGAP
SENIOR AUDITOR/INVESTIGATOR

SUDESHNA AICH, CISA, CDPSE
SENIOR IT AUDITOR

PAMELA DAMITZ, CIGI, CFE
INVESTIGATIONS MANAGER

MELYNDA CHILDREE, CIGA
SENIOR AUDITOR

NATALIA SALNOVA, CPA, CIA, CIGA, CIGI,
CRMA
SENIOR AUDITOR

CANDACE TIBBETTS
ADMINISTRATIVE ASSISTANT



Pictured Left to Right: Jeffrey Caines; Candace Tibbetts, Pamela Damitz; Sam M. McCall, Janice Foley, Sudeshna Aich, Natalia Salnova, Heather Friend and Melynda Childree.

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Westcott Fountain

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 2020-2021. During the year, staff worked very diligently to issue audit and investigation reports important to University operations.

We issued seventeen reports, to include fifteen audit reports, and two investigative reports. Four of the fifteen audit reports were classified as confidential. These reports contained information relating to information technology and physical security and were issued internally and only on a need to know basis. Two of the fifteen audit reports were follow-up reports issued to provide assurances on management's level of implementation of recommendations made in previously issued audits. We also processed 22 investigative inquiries during the year. All of the above work was accomplished with two fewer staff as positions were frozen during the COVID-19 period. We are now advertising to fill those positions. By issuing reports that are fair and objective, by management taking ownership and responsibility for addressing areas for improvement, and by our Office following up to validate management actions taken, every effort is being made to demonstrate stewardship and accountability for resources provided.

Of significance, during the year we issued our seventh Performance-Based Funding (PBF) Audit and second Preeminence Research University Metrics Data Integrity Certification Audit. These audits are required by law and directed the State University System Board of Governors (BOG). In doing so, the President, Board of Trustees (BOT) Chairman, the BOT, and the BOG have independent assurance that data submitted to the BOG by Florida State University is valid and reliable.

In October 2020, the OIGS investigative function was reaccredited by the Commission on Florida Law Enforcement Accreditation (CFA). The reaccreditation review covered a three-year

period dating back to initial accreditation in 2017. As a result of CFA accreditation, the FSU Police Department as well as other local, state, and federal investigative and prosecution entities can place greater reliance on our work. Accreditation demonstrates compliance relating to policies and procedures, investigative files, and investigation reports. To date, the FSU OIGS is the first and only state university to receive CFA 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 audits and investigations 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 that contribute to the effectiveness of University operations.

It is an honor to serve the University President and the Board of Trustees and to work with faculty and staff. The Audit and Compliance Committee has addressed several important topics and has demonstrated their desire for the University to be seen as transparent and accountable. We want to thank the BOT Audit and Compliance Committee for their support and guidance during the last year. We especially want to thank Trustee Gonzalez as Committee Chair for the extra time he spent outside Committee meetings to discuss issues coming before the Committee. We look forward to working with Trustee Alvarez as Committee Chair and Trustees Henderson and Mateer in the 2021-2022 year.

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 2021-22 fiscal year. The 2021-22 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, CGFM, CIA,
CGAP, CIG

Authority for the Office

The Florida State University President and Board of Trustees (BOT) initially approved a charter for the Office of Audit Services (OAS) in September 2003. In November 2012, the Present approved changing the name of the OAS to the Office of Inspector General Services (OIGS). The charter was revised in June 2019 and reaffirmed by the BOT in June 2021.

Purpose, Mission, and Vision

Purpose

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

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

Mission

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



The Legacy Fountain



Audits

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

The following audits on our Annual Work Plan were completed during 2020-21. 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, please contact the OIGS and request the full report.

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Admissions Acceptance Compliance



Our audit assessed the design and operational effectiveness of controls over the undergraduate first time in college (FTIC) admissions process to ensure compliance with relevant regulations and policies and reduce exposure to potential admissions fraud risk. An FTIC applicant is defined as a student who has earned a standard high school diploma from a Florida public or regionally accredited high school, or its equivalent, and who has earned fewer than 12 semester hours of transferable college credit since receiving a standard high school diploma, or its equivalent.

Our audit objective was to evaluate internal controls over the University's process for admissions acceptance.

The scope of our audit encompassed all FTIC applicants who received admissions decisions for the Summer and Fall 2019 terms.

For the 2019 admissions cycle, there were approximately 59,000 FTIC applicants. Of these applicants, 24,426 were provided with admissions offers and 7,165 subsequently enrolled at the University.

We concluded that, overall, the University generally has strong internal controls to ensure the integrity of the FTIC applicant admissions process, as well as compliance with relevant regulations and policies. We also identified opportunities to strengthen these controls and improve the admissions process – specifically

with Slate access controls and the admissions exception process.

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

The University developed an action plan to address each of these identified issues/recommendations.



2020-2021 Performance-Based Funding Metrics



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 Board of Governors (BOG) that support the University's Performance-Based Funding (PBF) Metrics, and to provide an objective basis of support for the University's President and Board of Trustees (BOT) Chair to sign the representations included in the PBF – Data Integrity Certification, which was to be submitted to the University's BOT and filed with the BOG by March 1, 2021. 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 PBF metrics are based.

The PBF 2020 Metrics (along with their definitions), approved by the FSU Board of Trustees on April 17, 2020, and approved by the BOG in May 2020 were published on the BOG

website. The complete listing of these PBF Metrics that relate to FSU were as follows:

- 1) Percent of Bachelor's Graduates Enrolled or Employed (\$25,000+)¹ (in the U.S.) One Year after Graduation;
- 2) Median Wages of Bachelor's Graduates Employed Full-Time One Year after Graduation;
- 3) Cost to the Student (Net Tuition and Fees for Resident Undergraduates per 120 Credit Hours);
- 4) Four-Year Graduation Rate for First-Time-in-College (FTIC) 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 (including Science, Technology, Engineering, and Mathematics (STEM));
- 7) University Access Rate (Percent of Undergraduates with Pell Grants);
- 8) Graduate Degrees Awarded within Programs of Strategic Emphasis (including STEM);
- 9) Percent of Bachelor's Degrees without Excess Hours (Board of Governors' Choice Metric for all SUS universities); and
- 10) Percent of Bachelor's Graduates Ever Enrolled in an Entrepreneurship Class (FSU's Board of Trustees Choice Metric).

During the 2019-20 Fiscal Year, the Florida Legislature added two new graduation rate metrics to the Performance-Based Funding Model. At the November 2020 board meeting,

November 2020 board meeting, the BOG approved the deferral of the wage threshold increase for at least one year due to potential impacts of data from the pandemic.

¹ In October 2019, the BOG approved revisions to the System's Strategic Plan, which revised the employment metric to include a \$30,000+ wage threshold. At the

the BOG approved the replacement of Metric 9 (Percent of Bachelor's Degrees without Excess Hours) with these two new metrics:

- 9a) Florida College System Associate in Arts Transfer Two-Year Graduation Rate (Full-Time Students); and
- 9b) Pell Recipient Six-Year Graduation Rate (Full and Part-Time Students).

This audit solely addressed the integrity of the University's data submissions to the BOG that supported the University's PBF Metrics for the 2021 Accountability Report. In the event certain of these data were not available, we used the most recent data for the pertinent metrics.

Overall, we concluded the University had adequate processes for collecting and reporting PBF metrics data to the BOG. In addition, we could provide an objective basis of support for the University's President and BOT Chair to sign the PBF – Data Integrity Certification, which was filed with the BOG by March 1, 2021.



2020-2021 Preeminent Research University Metrics



The overall purpose of the audit was 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 Metrics/Preeminent Research University Metrics – Data Integrity Certification, which was to be submitted to the University's Board of Trustees and filed with the BOG on March 1, 2021.

The 2020 Preeminent Research University Metrics (along with their definitions), approved by the FSU Board of Trustees on April 17, 2020, and approved by the BOG in May 2020 were published on the BOG website. The complete listing of these PBF Metrics that relate to FSU were as follows:

- 1) Average Grade Point Average (GPA) and Scholastic Aptitude Test (SAT) Score;
- 2) National Public University Rankings;
- 3) Freshman Retention Rate;
- 4) Four-Year Graduation Rate;
- 5) National Academy Memberships;
- 6) Total Annual Research Expenditures;
- 7) Total Annual Research and Development (R&D) Expenditures in Non-Health Sciences;
- 8) National Ranking in Research Expenditures;
- 9) Patents Awarded;
- 10) Doctoral Degrees Awarded Annually;
- 11) Number of Post-Doctoral Appointees; and
- 12) Endowment Size.

This audit solely addressed the integrity of the University's data submissions to the BOG that support the University's Preeminent Research University Metrics for the 2021 Accountability Plan. In the event certain of these data were not available, we used the most recent data for the pertinent metrics.

Overall, we concluded that the University had adequate processes for collecting and reporting Preeminent Research University Metrics data to the BOG. In addition, we could provide an objective basis of support for the University's President and Board of Trustees Chair to sign the

Performance-Based Funding Metrics/Preeminent Research University Metrics – Data Integrity Certification, which was filed with the BOG by March 1, 2021.



Data Privacy: Family Educational Rights and Privacy Act (FERPA)



Our audit evaluated the University’s compliance with the Family Educational Rights and Privacy Act (FERPA). FERPA is a federal law that protects the privacy of student education records, gives students control over their records, and prohibits the University from disclosing personally identifiable information (PI) from students’ education records without consent from the student. FERPA allows the disclosure of education records without student consent when the disclosure meets specific criteria outlined in federal regulations.

The objectives of our audit were to determine the effectiveness of the University’s efforts to comply with the Family Educational Rights and Privacy Act (FERPA) and to identify opportunities for improvement.

We concluded the University’s effort to comply with FERPA has been effective. Students are notified of their FERPA rights annually, FERPA training is included in new employee orientation, access to information in the Student Central information system is limited to those who need the information in the regular course of business, information is protected from release to third parties without student permission, and the non-consensual disclosure of FERPA information

under the coronavirus public health emergency complies with FERPA requirements.

We made five recommendations to strengthen controls.

The University developed an action plan to address each of these identified issues/recommendations.



National High Magnetic Field Laboratory



The three primary audit objectives were to determine whether the National High Magnetic Field Laboratory’s (MagLab) management:

- 1) Has implemented a review and approval process for users to use the laboratory consistent with currently established University policies and procedures and the requirements of funding agencies and other pertinent regulations;
- 2) Ensured the lab’s users reported their publication activities and research results, as required by the MagLab and its funding agencies; and
- 3) Ensured adequate safety and security of faculty, staff, users, contractors, and visitors by implementing controls to effectively manage identified safety and security risks (e.g., policies and procedures for safety and security).

The scope of our audit:

- Primarily consisted of examining records for the MagLab’s user review and approval process, user research reporting process, and safety and security (e.g., physical, electronic, operational, and information) and touring the facilities;
- Focused on the review of the MagLab headquarters at Florida State University; and
- Encompassed the audit period of July 1, 2018, through December 31, 2019, and in some cases, through the more recent present, as appropriate.

Overall, we concluded that the MagLab (1) has implemented a review and approval process for users consistent with currently established University policies and procedures and the requirements of NSF; (2) has requested qualified users to report their publications and acknowledge NSF support in those publications; and (3) has ensured adequate safety and security of faculty, staff, users, contractors, and visitors by implementing controls to effectively manage identified safety and security risks.

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

The University developed an action plan to address each of these identified issues/recommendations.



Continuous Vulnerability Management



Continuous vulnerability management is an essential security practice of identifying, evaluating, and remediating Information Technology (IT) asset vulnerabilities to minimize the window of opportunity for cyber-adversaries.

This audit evaluated the University Vulnerability Management Program’s sufficiency to timely identify and remediate vulnerabilities in IT assets connected to the University network.

A large amount of information is collected, stored, and processed in the University’s information technology environment, making the environment lucrative for cyber-adversaries. The University uses a vulnerability management tool to identify new information related to asset vulnerabilities, prioritize possible threats, and offer remediations. The vulnerability scanning tool, Nexpose, was recently replaced with an advanced vulnerability management tool, InsightVM, which allows for greater scanning detail. The Information Security and Privacy Office (ISPO), with Information Technology Services (ITS), manages the tool and makes it available to University units free of cost.

Although vulnerability management can be time-consuming, the process can protect the University from significant breaches or cyberattacks.

We assessed the University’s Vulnerability Management Program as being between the “Managed” and “Defined” maturity levels, indicating the Program is moving away from

reacting to vulnerabilities and toward proactively managing vulnerabilities. ITS is improving the University-wide Vulnerability Management Program and replaced a vulnerability scanning tool with an advanced vulnerability scanning tool that provides greater scanning detail.

We audited five University units that manage an extensive portfolio of ITS assets connected to the University's network. Two of the five units did not have strong patch management controls, three of the five units do not have a continuous cycle of vulnerability management controls.

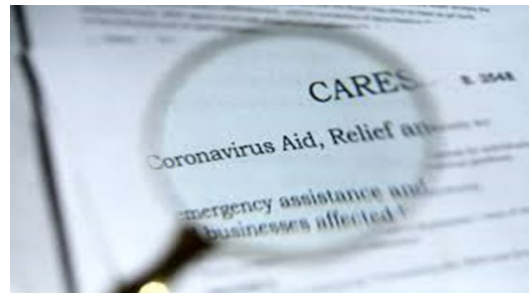
We made four publicly reportable recommendations to address issues identified during the audit.

We also identified opportunities for improvement to reduce IT asset vulnerabilities associated with missing and outdated patching and older software and hardware versions. These observations were provided to the management in each of four University units in separate confidential reports.²

The University developed an action plan to address each of these identified issues/recommendations.



University's Compliance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) and the Higher Education Emergency Relief Funds (HEERF II) Emergency Grant Aid to Students



This audit evaluated the University's compliance with the reporting requirements and the distribution of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) and the Higher Education Emergency Relief Fund II (HEERF II) Acts emergency aid to students.

The CARES Act signed into law on March 27, 2020, established and funded the Higher Education Emergency Relief Fund. The Act funds are to be used by institutions to provide emergency financial aid grants to students "for expenses related to the disruption of campus operations due to coronavirus (including eligible expenses under a student's cost of attendance, such as food, housing, course materials, technology, health care, and childcare)." FSU was awarded \$14,669,914 on April 28, 2020, to fund the Federal Emergency Financial Aid Grants for Students. As of December 31, 2020, the total amount of the CARES Act funds was distributed.

HEERF II, signed into law on December 27, 2020, is the second round of the Higher Education Emergency Relief Fund providing financial support to students. FSU was awarded \$14,669,914 on February 16, 2021, to fund the Federal Emergency Financial Aid Grants for Students. The University distributed \$5,780,700

² These reports are confidential and exempt from disclosure under section 1004.055(1)(b), Florida Statutes.

to students during Spring 2021. The total HEERF II funds remaining for distribution is \$8,889,214.

Our audit concluded that the University posted the USED reports in a format and location easily accessible to the public, and the information was updated consistent with the reporting guidelines.

The University developed supportable queries using its information system to identify students eligible to receive CARES and HEERF II (Spring 2021) Act emergency aid. We determined these queries provided the controls to provide identification of students who met Federal and University criteria.

The identification of distance learning students who were exclusively online, and therefore ineligible for the CARES award, unintentionally allowed some students who were exclusively in distance education courses to receive CARES Act funding. The Office of Financial Aid contacted the United States Education Department (USED) regarding the unintentional awards, and OFA management informed the OIGS that the discussions were positive. However, the USED had not provided any formal directions on managing the exceptions by the end of the audit. The Spring 2021 HEERF II Act emergency aid did not exclude distance learning students.

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

The University developed an action plan 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:

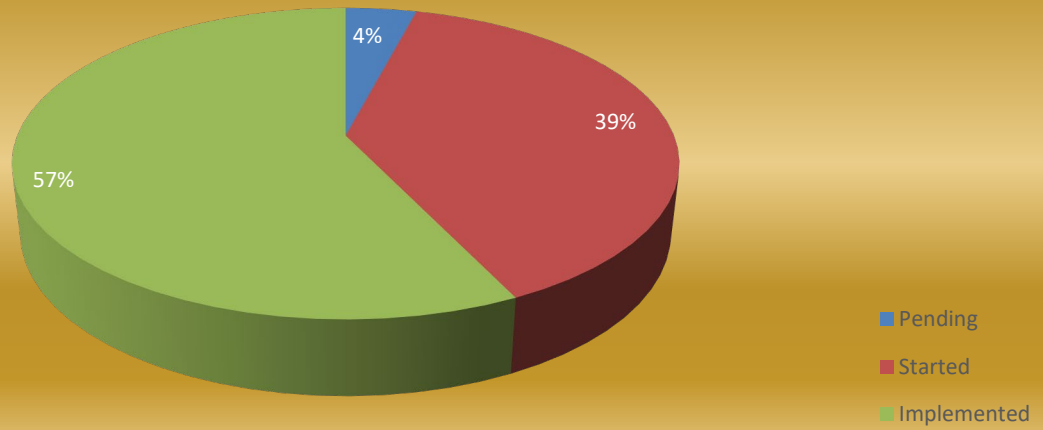
- FAMU-FSU College of Engineering;
 - a joint audit being conducted with the FAMU Division of Audit and Compliance;
- The University's Compliance with the Coronavirus Aid, Relief, and Economic Security Act (CARES) Institutional Portion;
- Procurement Controls and Asset Management During the Pandemic;
- Athletics – Governance, Organizational Structure, and Financial Health;
- Cybersecurity – Secure Configuration of Information Technology Services (ITS) Managed Laptop and Mobile Devices; and
- Seminole Boosters.

Follow-up

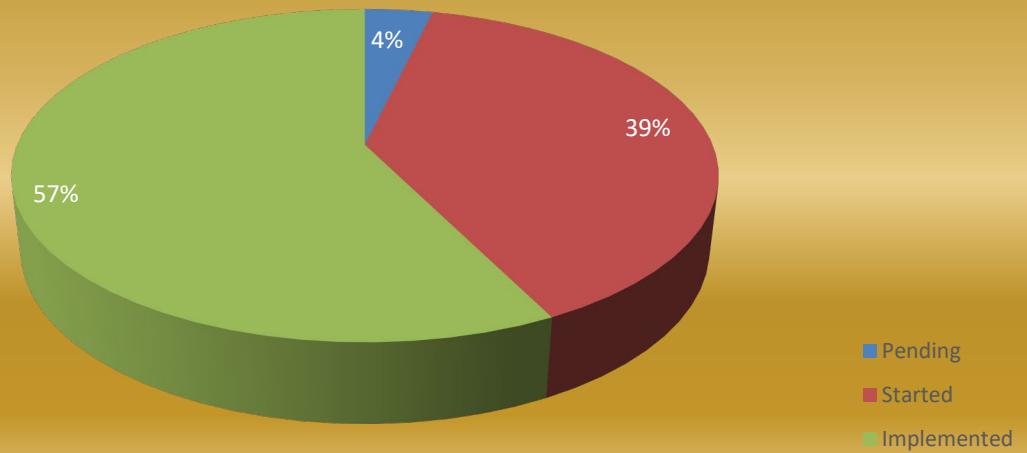
In conformance with the *International Standards for the Professional Practice of Internal Auditing*, the OIGS follows up on audit observations and other significant issues to determine if reported planned actions have been taken in response to our observations. Follow-up is performed every six months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

Implementation of recommendations during this fiscal year was at 57 percent. The pie charts below show the breakdown for implementation for each six-month period and the total for the year.

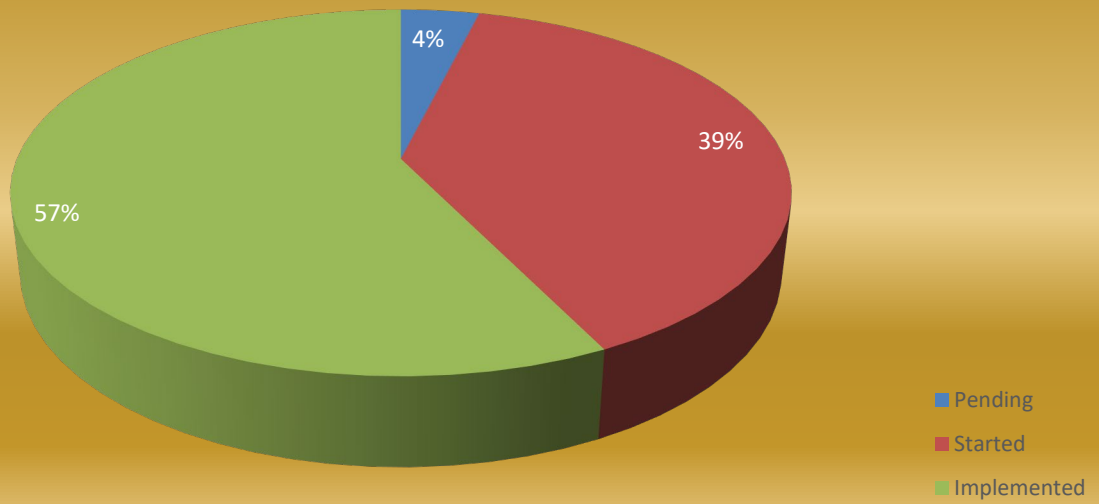
Follow-up on the Implementation of Recommendations
January 1 - June 30, 2020



Follow-up on the Implementation of Recommendations
July 1 - December 31, 2020



Follow-up on the Implementation of Recommendations 2020-2021



Review of DSO Financial Statements

Each year, by Delegation of Authority from the President, the Chief Audit Officer (CAO) reviews audit reports issued by external auditors on Direct Support Organization (DSO) financial statements. A summary of the CAO's review is prepared and distributed internally to the President, Board or Trustees, and applicable staff and externally to the Board of Governors, and the Auditor General.

Overall, DSO external auditors issued unmodified opinions on the 2019-2020 financial statements of all eleven DSOs, meaning they were presented in accordance with general accepted accounting principles. For all DSOs, no material weaknesses or significant deficiencies in internal controls were noted and there were no reported compliance findings. DSOs are very important to the University and collectively account for over \$1.38 billion in assets.

Review of Additional Entities' Financial Statements other than DSO

In April 2021, the Chief Audit Officer (CAO) issued a report on his review of five additional entities within the University that received external audits of their issued financial statement for the year ending June 30, 2020. These entities are component entities of the University but are not Direct Support Organizations (DSO's). The entities include the Department of Intercollegiate Athletics, the Florida State University School (FSUS), the Florida Medical Practice Plan, and WFSU TV and FM radio stations.

Overall, the external auditors issued unmodified opinions on the 2019-2020 financial statements of the above entities, meaning their financial statements were presented in accordance with generally accepted accounting principles. For all five, no material weaknesses or significant deficiencies in internal control were noted and there were no reported compliance findings.

These entities are very important to the University and collectively have combined assets in excess of \$140 million.



Quality Assurance and Improvement Program (QAIP)

The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (Standards) require the establishment of a quality assurance program to evaluate the operations of the internal auditing department. To this end, the 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. These processes support quality on an audit-by-audit basis. Based on our ongoing internal QAIP, we believe our Office complies with the Standards. In addition, the OIGS participates in an external quality control review program that is conducted once every five years. The last external review, conducted in 2017, concluded the OIGS fully complied with the Standards. Another external QAIP review will be conducted in 2022.



Information Technology Audit Function

Information Technology audit (IT audit) is a function within the Office of Inspector General Services (OIGS). The IT audit function supports the University wide effort to protect the University from sophisticated cyber-attacks by identifying opportunities to improve cybersecurity controls.

The IT audit team provides consulting and advisory services when University wide IT security controls and new technologies are being implemented and regularly meets with Information Technology Services (ITS) management for updates on significant IT initiatives.

To ensure IT audit efforts are focused on the cybersecurity controls that have been determined to be of highest risk to the University, the IT audit team has developed a three-year rolling IT Audit Work Plan based on the Center for Internet Security (CIS) top 18 controls. 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 (NIST) Cybersecurity Framework, Payment Card Industry Data Security Standard (PCI DSS), and the Health Insurance Portability and Accountability Act (HIPAA). IT audits prioritized in the IT Audit Work Plan are included in the OIGS Annual Work Plan.

The Information Technology Audit Function also monitors actions taken in response to Florida Auditor General information technology audit reports and provides audit related consulting services to the Northwest Regional Data Center (NWRDC).

In addition to the dedicated IT audits performed by the IT audit team, select IT controls are regularly included as part of other audits. In fiscal year 2020-21 this included:

IT access controls for systems that store student data were reviewed as part of the FERPA Data Privacy Audit;

IT controls over the cardholder access system were reviewed as part of the audit of Crime Prevention at the National High Magnetic Field Laboratory; and

The configuration of certain financial aid transactions in the Campus Solutions student system was reviewed as part of the audit of the CARES funding awarded to students.

HOTLINE



Report Fraud, Waste, and Abuse
Make a Report Online at fsu.ethicspoint.com or by telephone – 855-231-7511 (toll free) or contact the Office of Inspector General Services directly at:
Office – 850-644-6031
FAX – 850-644-2576
Email – igs@fsu.edu

The Office of the Inspector General Services (OIGS) maintains the EthicsPoint Hotline for employees and contractors to report suspected acts of fraud, waste, and abuse, including mismanagement or violations of laws, rules, or procedures by University employees or contractors.

Reports can be made anonymously.

Complaints/Investigations

The OIGS receives complaints and allegations reported directly from internal and external parties, 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, the OIGS provides investigative assistance to the FSU Police Department 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 the OIGS are referred to the appropriate entity. During 2020-21, approximately 12 percent of our direct effort was invested in reviewing complaints and conducting investigations.



TYPES OF INVESTIGATIVE ACTIVITY

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.

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 the OIGS completes additional fact-finding, a determination is made whether to proceed with an investigation, close the complaint, or address the complaint without investigation.

Management Referrals (MR) are complaints received by the OIGS that are the responsibility of management and do not require investigation. Our office refers these complaints for review and action deemed appropriate. The 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.

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.

Criminal Assistance Investigations (CI) are opened when the 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 the OIGS provides investigative assistance as requested.

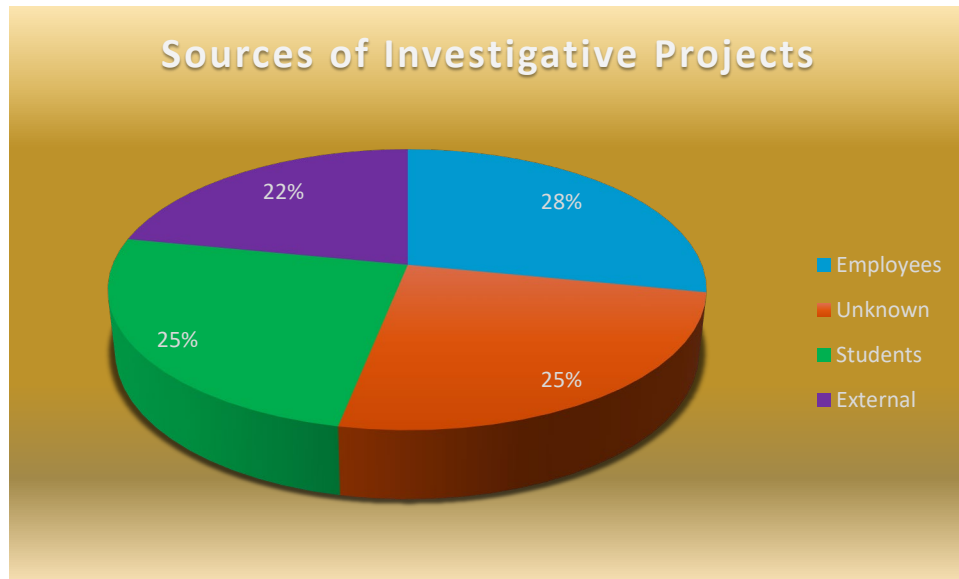
TYPES OF INVESTIGATIVE WORK PRODUCT

Investigative Reports communicate 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 are conducted 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 Standards for Complaint Handling and Investigations for the State University System of Florida, and the Commission for Florida Law Enforcement Accreditation Standards for Florida Inspectors General*. The Investigative Report will conclude as to whether allegation(s) made are determined to be substantiated, unsubstantiated, or unfounded.

Controls and Compliance Reports are used to report internal control and/or compliance weaknesses. These weaknesses are most often identified by staff during an investigative project but may be brought to the attention of the OIGS during an audit. Such limited scope services are not integral or directly related to an investigation and are not integral to the scope, objectives, or findings of a specific audit 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.



INVESTIGATIVE ACTIVITY For Fiscal Year 2020-21



At the end of the prior fiscal year June 30, 2020, we had one (1) Standard Investigation which continued into the 2020-21 fiscal year.

Between July 1, 2020, and June 30, 2021, the OIGS opened 22 new cases, which included seven (7) cases that were reported to us anonymously. Together with the one (1) case carried over from the prior fiscal year, the OIGS managed 23 investigative cases during 2020-2021.

The OIGS reviews and evaluates each complaint received to determine how it should be processed. During fiscal year 2020-21, of the complaints received: one (1) was immediately determined to require a standard investigation; five (5) complaints needed further information and a preliminary inquiry was conducted; twelve (12) were referred to management for resolution, including cases to be managed by Academic Administration, Human Resources, and Ethics and Compliance; and three (3) were criminal (two) 2 were referred to FSUPD and one (1) was referred to the U.S. Department of Justice Office of Inspector General); two (2) 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.

NEW CASES OPENED 2020-21	
Fraud/Theft	1
Misuse of University Resources	1
Misconduct	9
Lack of Compliance with Policy	3
Information	1
Academic	1
Criminal Referral to FSUPD	3
Other	2
Ethics	2
TOTAL	23

The Chief Audit Officer’s responsibilities also include the analysis of all complaints to determine if the criteria are met for whistleblower 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 fiscal year, three (3) complainants were in this category. The OIGS determined that none of the complaints were found to qualify for investigation under the Whistle-Blower Act and the complainants were notified by letter.

Of the 23 new and active investigative projects during the year, 23 were closed in fiscal year 2020-21.

The 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. The OIGS submitted our annual report to the Commission on January 22, 2021.

Investigations

Investigation of the Director of Seminole Productions

In July 2019 (initiated prior to the 2020-2021 and released in February 2021), the OIGS initiated an investigation to address concerns from management about the potential misappropriation of funds by the director of Seminole Productions. Management identified that funding from an external source was not included in Seminole Productions’ budget.

The OIGS investigated and sustained the allegation related to the misappropriation of funds. It was determined that the Director of Seminole Productions’ directed revenues of \$1,235,809.86 between October 2012 and February 2019, from an IMG College contract to produce the football coaches show, the Seminole Basketball Report, and the Seminole Sports Magazine into a bank account external to and not under the control of the University.

The OIGS also substantiated the following allegations as part of the investigation:

The director executed a contract without authority between Seminole Productions and IMG College to produce the football coaches show, the Seminole Basketball Report, and the Seminole Sports Magazine; and

The director did not accurately disclose his contractual relationship with IMG College on his 2012-2018 Florida State University Faculty Outside Activity Statements and contrary to his certified statements, a conflict of interest existed.

The director resigned from his position at the University and the case is still pending criminal prosecution.

Investigation of Seminole Productions' Time Reporting

In February 2021, the OIGS received a referral from Human Resources in reference to concerns reported by a former employee related to time reporting issues at Seminole Productions. The OIGS interviewed the former employee and initiated an investigation into the allegation that the director of Seminole Productions violated the Dual Compensation Policy by telling an employee to report hours worked in their secondary position knowing the duties for that position were part of the employee's primary assignment. Additionally, it was alleged that the director was not allowing employees to enter the accurate number of hours worked on their timesheets. The OIGS also investigated whether the director's position would conflict with the Dual Compensation form he submitted for his secondary position working live events.

The OIGS sustained the allegation related to the director instructing an employee to enter hours in violation of the Dual Compensation Policy. The allegation related to employees not being allowed to enter accurate work time on their timesheets was unfounded. The final allegation related to a potential violation of the Dual Compensation Policy by the director is his secondary position was not sustained.

The OIGS reported the finding to Human Resources and the Dean of Communications and Information.



Doak Campbell Stadium

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 Audit and Compliance Committee of the Board of Trustees. Feedback received through these interviews contributes significantly to the successful development of our Annual Work Plan.

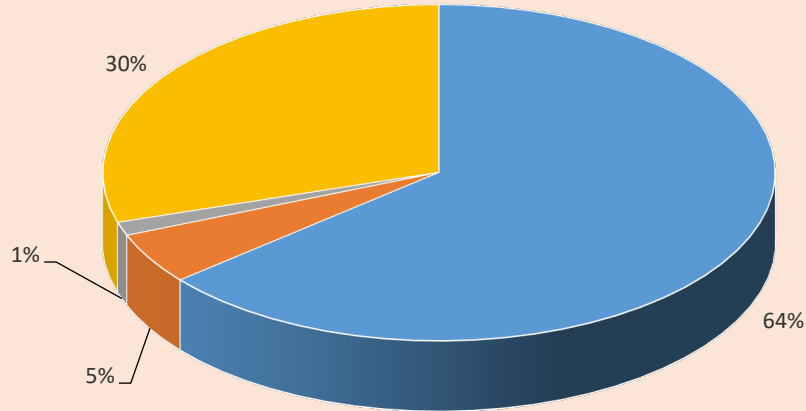
The Annual Work Plan contains a detailed schedule of projects planned for the year. Estimated hours are allocated to each project in an effort to optimize utilization of OIGS staff.

Our direct service level of effort for 2020-21 was 63 percent. During the year, we had 211 hours (1 percent of indirect time) related to maintaining our investigation accreditation with the Commission for Florida Law Enforcement.

The three graphs that follow show the 2020-21 fiscal year level of effort, planned versus actual direct service effort for fiscal year 2020-21, and a nine-year trend of direct service effort for fiscal years 2012-13 through 2020-21.

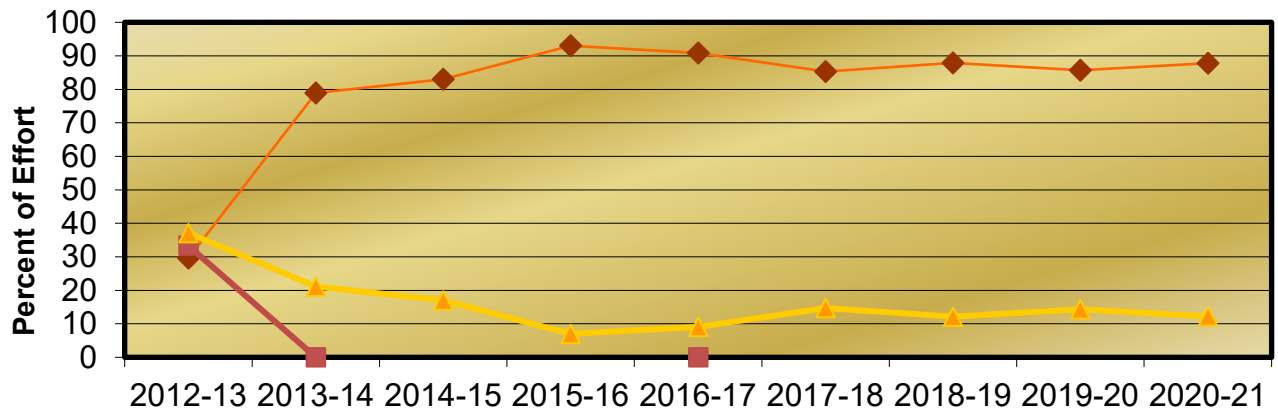
Activity Charts

2020-21 LEVEL OF EFFORT



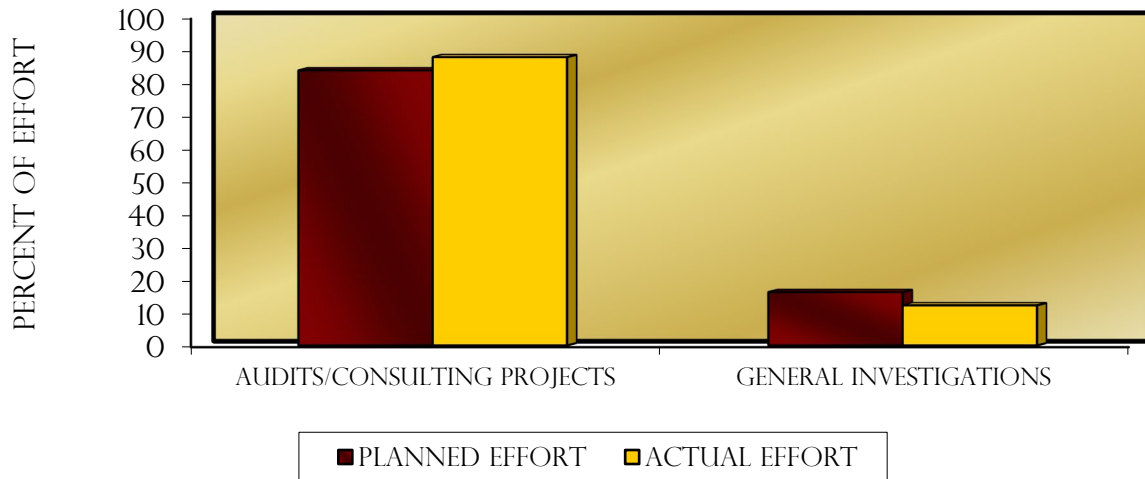
- DIRECT TIME TO AUDITS AND INVESTIGATIONS
- CPE TRAINING
- INVESTIGATION ACCREDITATION
- OTHER INDIRECT TIME (I.E., OFFICE ADMINISTRATION, HOLIDAYS/LEAVE)

HISTORY OF DIRECT EFFORT 2012-13 THROUGH 2020-21



- ◆ AUDITS
- CONSULTING PROJECTS - STARTING IN 2013-14 HOURS WERE ADDED TO AUDITS
- ▲ GENERAL INVESTIGATIONS

**PLANNED VS. ACTUAL DIRECT EFFORT
2020-2021**



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.

Professional Activities and Certifications

The OIGS is proud of the experience and professionalism of its staff. During 2020-21, 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:

- 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 (ISACA);
- Institute for Internal Auditors.

Our staff is actively involved with several professional boards. These include the:

- Tallahassee Chapter of the Association of Government Accountants;
- Tallahassee Chapter of the Institute of Internal Auditors.

Certifications

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

- Certified Data Privacy Solutions Engineer;
- Certified Fraud Examiner;
- Certified Government Auditing Professional;
- Certified Government Financial Manager;
- Certified Internal Auditor;
- Certified Information Systems Auditor;
- Certified Inspector General;
- Certified Inspector General Auditor;

- Certified Inspector General Investigator;
- Certified Public Accountant;
- Certification in Risk Management Assurance; and
- Sworn Law Enforcement Officer.

In addition to professional certifications, advanced degrees held by staff include:

- Doctor of Philosophy – Public Administration;
- Master in Public Administration;
- Master of Accountancy;
- Master of Business Administration; and
- Master of Science – Instructional Systems.



Post-Project Surveys

**Take
the Survey**

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 2020-21 appear in the following chart:

CATEGORY	AVERAGE RATING
Professionalism	4.93
Relations of Staff	5.00
Communications	5.00
Technical Knowledge	4.69
Helpfulness	4.81
Clear and Accurate Report	4.86
Report was Unbiased	4.60
Issued Timely	4.64
Provided Value	4.93
Overall Average	4.83

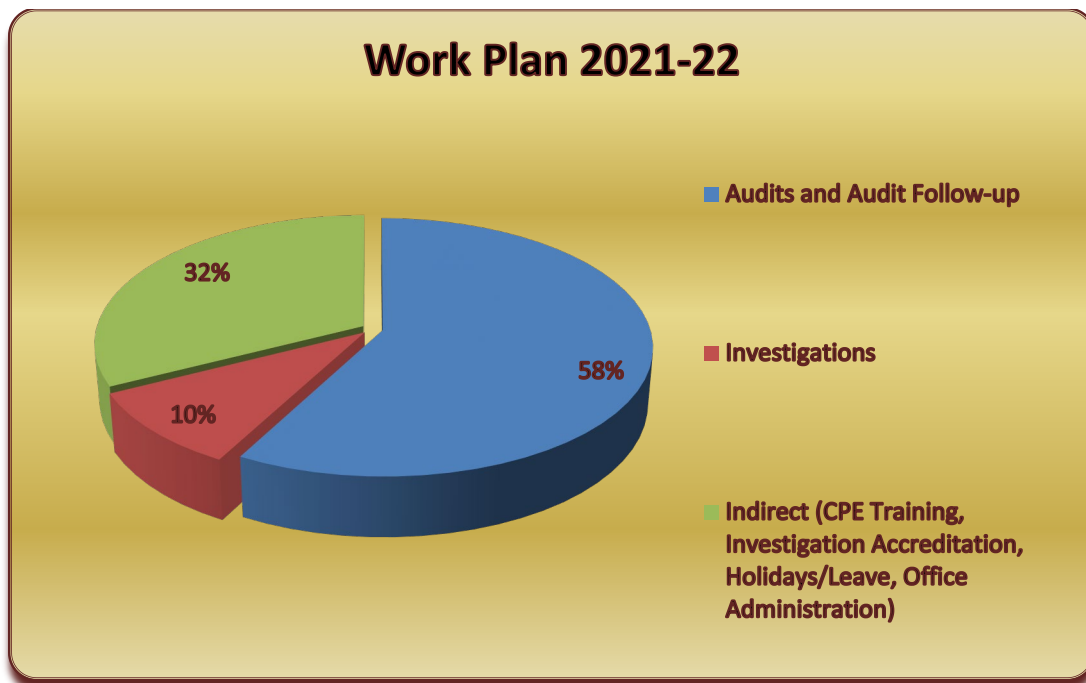
We constructively assess feedback received and continually strive to improve services provided.

Upcoming Year

We look forward to working with our colleagues as we implement our 2021-22 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 2021-22

Allocation of Time for 2021-22



Annual Work Plan 2021-22

A.	Audit Projects Carried Forward from 2020-21 Work Plan	<u>Hours</u>	<u>Total</u>
	2020-21 Audit Projects Carried Forward to Be Completed in 2021-22		
	Seminole Boosters	819	
	Foundation – Audit of Compliance with Donor Intent	658	
	Cybersecurity – Secure Configuration for Hardware and Software on Mobile Devices and Laptops Managed by ITS	481	
	Procurement Controls and Asset Management During the Pandemic	360	
	Athletics Financials	300	
	University’s Compliance with the CARES Act – Institutional Portion	90	
	FAMU/FSU College of Engineering	65	
	Total Hours for Audit Projects Carried Forward from 2020-21 Work Plan		<u>2,773</u>
B.	New Audit Projects for 2021-22	<u>Hours</u>	<u>Total</u>
	College of Medicine – Medical Practices	850	
	Cybersecurity – Controlled Use of Administrative Privileges	830	
	Student Material and Lab Fees	750	
	Student Athletic Medical Coverage*‡	727	
	State University System Performance-Based Funding (Mandatory)	550	
	Office of Inspector General Services Quality Assurance Review	500	
	State University System Preeminence Funding (Mandatory)	450	
	Status of University Enterprise Risk Management Program	450	
	Public Safety – Property and Evidence Room Internal Controls		
	Follow-Up of Audit Report 16-01 Action Plan	270	
	Florida State University Schools (FSUS) – Business Practices* Enhancement Program (BPEP)*	250	
	Intercollegiate Athletics – Ticket Sales Processes and Software System Controls*	230	
	Cybersecurity Advisory Services and OIGS Cybersecurity Activities	200	
	Facilities Design and Construction – Selected Project(s)*	180	
	Panama City Campus – Business Practices Enhancement Program (BPEP)	167	
	Cybersecurity – Limitation and Control of Network Ports, Protocols and Services – University-wide*	133	
	Fraud and Internal Controls Training to University Entities (Required)	44	
	Direct Support Organizations (DSOs) External Audits – Financial Report Reviews (Required)	40	
	Additional Component Entity Financial Statements and External Audit Report Reviews	30	
	DSOs IRS Form 990 Reviews (Required)	20	
	Continuity of Operations (COOP) Planning	15	
	Total Hours for New Audit Projects Begun in 2021-22		<u>6,686</u>

‡ We have planned that these six audit projects indicated by an asterisk (*) will be carried over with additional hours and completed in the next fiscal year, 2022-23.

C.	Follow-Up Projects for 2021-22	<u>Hours</u>	<u>Total</u>
	Follow-up activities for previously completed audits	564	
	Total Hours for Follow-Up Projects for 2021-22		<u>564</u>
D.	Contingency for 2021-22	<u>Hours</u>	<u>Total</u>
	The following audits have priority status to begin during fiscal year 2021-22, provided we have unforeseen available hours for them:	0	
	Transportation and Parking Services – Collections and Use, University Housing – Internal Controls, Distance Learning Fee – Development and Use of Fees, and Student Health and Wellness – Selected Business Practices.		
	Total Hours for Contingency for 2021-22		<u>0</u>
E.	Investigations for 2021-22	<u>Hours</u>	<u>Total</u>
	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.	1,675	
	Total hours for Investigations for 2021-22		<u>1,675</u>
	Total Direct Service Hours for 2021-22		<u>11,698</u>
F.	Audit Management and Administration for 2021-22	<u>Hours</u>	<u>Total</u>
	Audit management and administration includes administrative meetings, continuing professional development, and approved employee leave and holidays. The OIGS is also responsible for maintenance of and updates to the OIGS virtual servers and audit software, as well as efforts towards continued accreditation in investigations.	5,620	
	Total Audit Management and Administration		<u>5,620</u>
	Total Hours for 2021-22		<u>17,318</u>



OFFICE OF INSPECTOR GENERAL SERVICES
SUITE 407 WESTCOTT BUILDING
222 SOUTH COPELAND STREET
P.O. Box 3061390
TALLAHASSEE, FL 32306
PHONE: (850) 644-6031
FACSIMILE: (850) 644-2576
E-MAIL: IGS@FSU.EDU
WEB: [HTTP://WWW.IGS.FSU.EDU](http://www.igs.fsu.edu)