



Item: AF: I-1d

AUDIT AND FINANCE COMMITTEE

Wednesday, October 21, 2009

SUBJECT: REVIEW OF AUDITS: SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF APRIL 1 THROUGH JUNE 30, 2009.

PROPOSED COMMITTEE ACTION

Information Only.

BACKGROUND INFORMATION

The Office of Inspector General performs follow-up procedures for all outstanding audit recommendations on a regular basis. For the quarter ended June 30, 2009, we reviewed a total of 15 audit recommendations resulting in the following conclusions:

- 7 recommendations were deemed to be fully implemented;
- 6 recommendations were partially implemented; and,
- 1 recommendation had not been effectively implemented
- 1 recommendation considered no longer applicable

We have obtained new expected implementation dates from the auditees responsible for all partially implemented and not implemented recommendations. These recommendations will be subject to additional follow-up in the future.

IMPLEMENTATION PLAN/DATE

Not Applicable

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: **OIG Schedule of Follow-Up on Audit Recommendations**

Presented by: Mr. Morley Barnett, Inspector General

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FAU-OIG
SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS
SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF 04/01/09 – 06/30/09

IMPLEMENTED (7)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Construction	FAU07/08-2	4	Unlocated/Incomplete Trade Contractor Records	Robert Richman	Tom Donaudy	N/A	N/A
Lifelong Learning Society	FAU07/08-4	2	Undocumented Reconciliation of Course Registration/Membership/Guest Pass Fee Payment Information – LLS Treasure Coast	Derek Gisburne	Dr. Joyanne Stephens	N/A	N/A
Lifelong Learning Society	FAU07/08-4	4.2	Inadequate Accountability for LLS Monies Delivered to the Campus Cashier's Office – LLS Jupiter	Rene Friedman	Dr. Joyanne Stephens	N/A	N/A
Lifelong Learning Society	FAU07/08-4	6.3	Untimely Delivery of LLS Deposits to Campus Cashier's Office – LLS Jupiter	Rene Friedman	Dr. Joyanne Stephens	N/A	N/A
Lifelong Learning Society	FAU07/08-4	7.1	Improper/Undocumented Reconciliation of Money Deposit Records – LLS Jupiter	Rene Friedman	Dr. Joyanne Stephens	N/A	N/A
Lifelong Learning Society	FAU07/08-4	7.2	Improper/Undocumented Reconciliation of Money Deposit Records – LLS Treasure Coast	Derek Gisburne	Dr. Joyanne Stephens	N/A	N/A
Lifelong Learning Society	FAU07/08-4	8	Inadequate Documentation for Student Refund Transactions – LLS Treasure Coast	Derek Gisburne	Dr. Joyanne Stephens	N/A	N/A

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PARTIALLY IMPLEMENTED (6)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
FAU – Operational Audit	AG08-048	2.1	Decentralized Collections – Campus Recreation	Eric Hawkes	Dr. Charles Brown	Management needs to ensure that money collections are delivered to the cashier's office within five business days after receipt, and transfer documents are being used to evidence the transfer of collections between employees.	09/30/09
FAU – Operational Audit	AG08-048	9	Energy Performance-Based Agreement	James Baker	Tom Donaudy	The Office of General Counsel needs to approve a new energy performance-based agreement with the contractor.	10/30/09
FAU – Operational Audit	AG08-048	12	Insurance Coverage	Dennis Crudele	President Frank Brogan	Management needs to ensure that: 1) independent commercial real estate appraisers completed their appraisals of all buildings on all campuses to determine the actual cash value (ACV); 2) an updated certificate of insurance coverage has been submitted to the State's Division of Risk Management; and, 3) written policies and procedures have been developed to address the level of insurance coverage to be maintained for the University's buildings and other property.	09/30/09
Federal Awards	AG09-144	99	Special Tests and Provisions – Return of Title IV Higher Education Act (HEA) Funds – Unofficial Withdrawals	Carole Pfeilsticker	Dr. Michael Armstrong	The State Auditors need to issue the results of the current Federal Awards audit (for fiscal year ended June 30, 2009).	03/31/10
Lifelong Learning Society	FAU07/08-4	13.2	Incomplete/Inadequate Accountability for Parking Permits – LLS Jupiter	Rene Friedman	Dr. Joyanne Stephens	Management needs to ensure that the <i>TAF Record Sheet – Front Desk</i> (permit activity logs) consistently indicate the member ID numbers; issuance dates; how the permits were handled (i.e., given or mailed); and the initials of the employees who issued the parking permits.	02/01/10

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PARTIALLY IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Undergraduate Admissions	FAU08/09-1	1	Florida Residency Determination for Online Student Applicants	Barbara Pletcher	Dr. Michael Armstrong	Management needs to obtain a report from IRM indicating the online applications of student applicants programmatically determined to be Florida residents and ensure that Undergraduate Admissions Office personnel periodically review samples of the abovementioned online applications to ensure that the Banner system is functioning as intended.	02/01/10

NOT IMPLEMENTED (1)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
NCAA Compliance - Recruiting	FAU06/07-3	3	Lack of Sufficient Compliance Personnel to Monitor the Recruiting Process	Ed Hayward	Craig Angelos	The State of Florida budget situation needs to improve before adequate funding may become available to increase the staffing for the Compliance Office as a means of better ensuring compliance with NCAA regulations.	Indeterminate at this time.

FAU-OIG
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NO LONGER APPLICABLE (1)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE`	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Federal Awards	AG08-141	1	Allowable Costs/Cost Principles – Time-and-Effort	Dr. Edwin Bemmell	Dr. Michael Moriarty	N/A *	N/A

* The Auditor General's most recent Federal Awards audit (Report No. 2009-144) indicated that follow-up had been performed for the abovementioned finding and the same deficiency has been repeated. As such, it is our opinion that the audit recommendation has been replaced by subsequent audit recommendation # 108. We will perform testwork on this new recommendation during the follow-up cycle October – December 2009.