



Item: AF: I-1a

AUDIT AND FINANCE COMMITTEE

Wednesday, April 15, 2009

**SUBJECT: REVIEW OF AUDITS: SUMMARY OF FOLLOW-UP ON AUDIT
RECOMMENDATIONS SCHEDULED TO BE IMPLEMENTED DURING THE
PERIOD OF 07/01/08 – 12/31/08.**

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 December 31, 2008, we reviewed a total of 37 audit recommendations resulting in the following conclusions:

- 22 recommendations were deemed to be fully implemented;
- 14 recommendations were partially implemented; and,
- 1 recommendation no longer applicable.

We have obtained new expected implementation dates from the audit entities for all partially 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

Phone: 561-297-3682

FAU-OIG
SUMMARY OF FOLLOW-UP ON AUDIT RECOMMENDATIONS
SCHEDULED TO BE IMPLEMENTED DURING THE PERIOD OF 07/01/08 - 12/31/08

IMPLEMENTED (22)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
FAU – Operational Audit	AG08-048	4	Complimentary Tickets	Michael Boele/ Christine Flood	Craig Angelos	N/A	N/A
FAU – Operational Audit	AG08-048	17	Property Deletions	Stacey Semmel	Dr. Ken Jessell	N/A	N/A
Athletics Ticket Revenue	FAU04/05-6	1.2	Inadequate Documentation of Receipt of Complimentary Tickets	Michael Boele/ Christine Flood	Craig Angelos	N/A	N/A
Traffic and Parking Services	FAU06/07-2	3.4	Inadequate Monitoring & Accounting for Employee Payroll Deductions for Parking Permit Purchases	Charles Lowe	Dr. Ken Jessell	N/A	N/A
Traffic and Parking Services	FAU06/07-2	3.5	Procedures for Special Event Parking Services	Charles Lowe	Dr. Ken Jessell	N/A	N/A
Housing and Residential Life	FAU06/07-6	1.2	Ineffective Monitoring of Residents Revenue	Jill Eckardt	Dr. Charles Brown	N/A	N/A
Housing and Residential Life	FAU06/07-6	1.3	Ineffective Monitoring of Residents Revenue	Jill Eckardt	Dr. Charles Brown	N/A	N/A
Housing and Residential Life	FAU06/07-6	4	Inadequate Documentation of Health and Safety Inspections	Jill Eckardt	Dr. Charles Brown	N/A	N/A
Construction	FAU07/08-2	2	Lack of Documentation Supporting the CM's Labor Burden Rate	Robert Richmond	Tom Donaudy	N/A	N/A
Lifelong Learning Society	FAU07/08-4	1	Lack of Written Operating Procedures – LLS Treasure Coast	Derek Gisburne	Gerri McPherson	N/A	N/A
Lifelong Learning Society	FAU07/08-4	3.2	Untimely Endorsement of Payment Checks Received – LLS Jupiter	Rene Friedman	Gerri McPherson	N/A	N/A
Lifelong Learning Society	FAU07/08-4	4.1	Inadequate Accountability for LLS Monies Delivered to the Campus Cashier's Office – LLS Treasure Coast	Derek Gisburne	Gerri McPherson	N/A	N/A
Lifelong Learning Society	FAU07/08-4	5.1	Undocumented Reconciliation of Guest Pass Fee Monies – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	5.2	Undocumented Reconciliation of Guest Pass Fee Monies – LLS Jupiter	Rene Friedman	Gerri McPherson	N/A	N/A

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IMPLEMENTED (continued)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Lifelong Learning Society	FAU07/08-4	6.1	Untimely Delivery of LLS Deposits to Campus Cashier's Office – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	6.2	Untimely Delivery of LLS Deposits to Campus Cashier's Office – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	9.1	Inadequate Physical Security for Checks/Credit Card Information – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	9.2	Inadequate Physical Security for Checks/Credit Card Information – LLS Jupiter	Rene Friedman	Gerri McPherson	N/A	N/A
Lifelong Learning Society	FAU07/08-4	10.1	Inadequate Physical Security for Class Admission Ticket "LLS" Stamps – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	11	Inadequate Physical Security for Unissued Parking Permits – LLS Jupiter	Rene Friedman	Gerri McPherson	N/A	N/A
Lifelong Learning Society	FAU07/08-4	12.1	Non-Use of Employee Key and Combination Control Logs – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A
Lifelong Learning Society	FAU07/08-4	13.1	Incomplete/Inadequate Accountability for Parking Permits – LLS Boca Raton	Virginia Huntzinger	Dr. Norman Kaufman	N/A	N/A

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PARTIALLY IMPLEMENTED (14)

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	We were unable to conclusively determine the implementation status of this recommendation since the collection records for only one deposit was available for review. Management needs to ensure that money collections are delivered to the cashier's office within five business days after receipt, and the <i>Departmental Bulk Deposit</i> forms are signed/initialed and dated by a preparer, a reviewer, and the employee who delivers the deposit to the cashier's office at all times.	04/30/09
FAU – Operational Audit	AG08-048	6	Student Government Expenses	Terry Mena/ Abe Cohen	Dr. Charles Brown	Management needs to ensure that purchase orders are issued prior to receiving goods/services and vendor invoices, and goods/services are received prior to issuing payment in order to comply with the University's Purchasing Manual.	01/26/09
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.	03/31/09
FAU – Operational Audit	AG08-048	14	Institutes and Centers Reporting	Dr. Edwin Bommel	Dr. John Pritchett	Management needs to ensure that the position information reported to the Board of Governors (BOG) for each of its institutes and centers is accurate, and a consistent method for determining estimated expenditures for all institutes and centers is developed.	09/30/09
Athletics Ticket Revenue	FAU04/05-6	3.4	Incomplete Documentation and Accountability for End-of-Shift Balancing of Daily Money Collections of Ticket Sellers	Michael Boele/ Christine Flood	Craig Angelos	Management needs to ensure that all the printed (game-day) tickets are given to the individual ticket sellers so that the <i>Game-Day Ticket Reconciliation Worksheet</i> reconciles properly.	09/30/09

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PARTIALLY IMPLEMENTED (continued)

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Athletics Ticket Revenue	FAU04/05-6	3.8	Inadequate Accountability for Game-Day Ticket Sales	Michael Boele/ Christine Flood	Craig Angelos	Management needs to ensure that all the printed (game-day) tickets are given to the individual ticket sellers so that the <i>Game-Day Ticket Reconciliation Worksheet</i> reconciles properly.	09/30/09
Construction	FAU07/08-2	4	Unlocated/Incomplete Trade Contractor Records	Robert Richman	Tom Donaudy	There were no major construction projects completed since our last follow-up. A sample of future major construction projects will be tested for compliance with the revised Facilities Planning Policy & Procedure # 5.	05/06/09
Lifelong Learning Society	FAU07/08-4	2	Undocumented Reconciliation of Course Registration/Membership/Guest Pass Fee Payment Information – LLS Treasure Coast	Derek Gisburne	Gerri McPherson	Management needs to ensure that guest pass lists are completed and reconciled to the <i>Guest Passes Reports</i> and guest pass monies.	06/30/09
Lifelong Learning Society	FAU07/08-4	4.2	Inadequate Accountability for LLS Monies Delivered to the Campus Cashier's Office – LLS Jupiter	Rene Friedman	Gerri McPherson	Management needs to ensure that the <i>FAU Foundation Deposit Forms</i> for guest pass fee monies are signed/initialed and dated by the Foundation employee who receives the check deposits and by the Jupiter campus courier who delivers the check, or cash receipt/check deposits to the FAU Foundation office.	08/31/09
Lifelong Learning Society	FAU07/08-4	6.3	Untimely Delivery of LLS Deposits to Campus Cashier's Office – LLS Jupiter	Rene Friedman	Gerri McPherson	Management needs to ensure that the Jupiter campus courier who delivers the check, or cash receipt/check deposits to the FAU Foundation office signs/initials and dates in the "Delivered by" fields on the <i>FAU Foundation Deposit Forms</i> .	08/31/09

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Lifelong Learning Society	FAU07/08-4	7.1	Improper/Undocumented Reconciliation of Money Deposit Records – LLS Jupiter	Rene Friedman	Gerri McPherson	Management needs to ensure that all guest pass fee monies collected for the Fall 2008 term were deposited to the FAU Foundation, and the FAU Foundation <i>Project Detail Reports</i> properly document (initials/signature and date) the monthly reconciliations of the LLS computer-generated guest passes reports to the <i>Project Detail Reports</i> and the cashier's office receipts.	08/31/09
Lifelong Learning Society	FAU07/08-4	7.2	Improper/Undocumented Reconciliation of Money Deposit Records – LLS Treasure Coast	Derek Gisburne	Gerri McPherson	Management needs to ensure that: 1) reconciliations of the LLS computer-generated check/credit card deposit reports and guest passes reports to the cashier's office receipts (for check deposits) and the email confirmation(s) from Touchnet Marketplace (for credit card payments), and the Banner Finance <i>Organization Detail Activity</i> reports are performed monthly and initialed/dated by two LLS employees; 2) the email confirmation(s) from Touchnet Marketplace – to document the posting of the credit card payments – are printed and retained; and, 3) a daily report of all LLS-Treasure Coast credit card transactions (payments) processed on Touchnet Marketplace is printed and retained, and signed-off and dated by two LLS-Treasure Coast employees.	06/30/09

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Lifelong Learning Society	FAU07/08-4	8	Inadequate Documentation for Student Refund Transactions – LLS Treasure Coast	Derek Gisburne	Gerri McPherson	Management needs to ensure that: 1) the reason(s) for the refund(s) on the <i>Check Requests</i> are accurate and indicate if the class was cancelled or the student requested the refund; 2) the original course registration forms are updated when the student requests a class transfer; and, 3) a written refund request signed by the student, along with the original class tickets, are received prior to processing the refund if the student initiates the refund.	06/30/09
Lifelong Learning Society	FAU07/08-4	13.2	Incomplete/Inadequate Accountability for Parking Permits – LLS Jupiter	Rene Friedman	Gerri McPherson	Management needs to ensure that parking permits are consistently issued in proper numeric sequence, and the <i>TAF Record Sheets</i> (permit activity logs) always indicate how the permits were handled (i.e., given or mailed), the issuance dates, and the initials of the employees who issued the parking permits.	08/31/09

NO LONGER APPLICABLE (1)

AUDIT TITLE	AUDIT REPORT #	AUDIT RECOMMENDATION #	COMMENT TITLE	AUDITEE	RESPONSIBLE MANAGER	PENDING ISSUES	NEW EXPECTED IMPLEMENTATION DATE
Construction	FAU07/08-2	5	Incomplete Verification of Licenses and Insurance for Subcontractors	James Baker	Tom Donaudy	N/A *	N/A

* Management has elected not to fully implement the audit recommendation, as intended. Partial corrective measures have been taken and management assumes any risk of less than full implementation.