

Florida A&M University
Audit Committee meeting

October 2, 2013

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


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2013/2014 Internal Audit dashboard

Project	Plan Year	Status	Number of Findings	Number of Red Findings	Findings Implemented by Report Date	Red Findings Implemented by Report Date
Grade change audit	2012/2013	In progress	N/A			
SACS follow up projects	2013/2014	Completed	N/A			
Follow up internal audit findings	2013/2014	Completed	N/A			
Review of Band Compliance	2013/2014	Completed for September games.	1	0	0	N/A
Administrative Services Assistance program audit	2013/2014	Planning	-	-	-	-
Academic Center for Excellence	2013/2014	Planning	-	-	-	-
TOTALS			1	0	0	N/A

Risk rating definitions

The following risk rating definitions are used in assessing the relative risk of internal audit observations and do not represent an opinion on the adequacy or effectiveness of internal controls. Responsible management is responsible for assessing whether the controls the University has implemented are adequate to meet its operational, compliance and financial reporting objectives.

-  **High:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) could significantly affect the operation's ability to achieve its strategic objectives
-  **Medium:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) could moderately affect the operation's ability to achieve its strategic objectives
-  **Low:** The potential impact on the operation (either in terms of dollars, error rate, or qualitative factors) would not significantly affect the operation's ability to achieve its strategic objectives

Internal audit projects completed (July-September 2013)

SACS Follow up

Process Owners – Various departments

Scope and objectives – In a collaborative effort with the Division of Administrative and Financial Services (DAFS), perform verification procedures to determine that corrective actions were implemented for findings reported in the Auditor General's operational audit for the 2011-12 fiscal year. In addition, perform procedures to determine that corrective actions were implemented for findings reported in the eight audits re-performed by Ernst & Young. We also assisted the University's SACS team in the preparation of the monitoring report submitted to SACS in August 2013 as it related to the DAC issues.

Report results

Fieldwork	Report status	Findings
July-September 2013	Formal report not necessary	Corrective actions generally implemented. Follow up report for the operational audit issued by Accretive Solutions. The follow up report for the eight audits re-performed by Ernst & Young has been received and management responses are being reviewed.

FOLLOW UP FOR INTERNAL AUDIT FINDINGS

Process owners – DAFS, Student Affairs

Scope and objectives: To determine if corrective actions have been implemented for audit findings reported in reports issued by DAC.

Report results




Fieldwork	Report status	Findings
September 2013	Formal report not necessary	One finding for the audit of the Life Gets Better Scholarship Program is open. A draft procedure for an appeals process to allow professional judgment to determine that an unusual or extraordinary situation affected the student's ability to meet the scholarship requirements has been developed and is being reviewed.

REVIEW OF BAND COMPLIANCE

Process owners –Music Department

Scope and objectives: To determine that eligibility of band students was verified prior to performances and that travel procedures were followed.

Report results

Fieldwork	Report status	Observations
September 2013	Completed for all September 2013 football games.	<ul style="list-style-type: none"><li data-bbox="954 573 1523 646"> 0 Comments (Detailed on the following pages)<li data-bbox="954 667 1523 709"> 1 Comment<li data-bbox="954 730 1523 772"> 0 Comments

1. Student Eligibility

Finding	Risks
<ul style="list-style-type: none">▶ One ineligible student performed in two games during September 2013. The student also traveled to the MEAC/SWAC Challenge in Orlando. The student was not allowed to perform at the third game.	<ul style="list-style-type: none">▶ Risk – Violation of University rules
Recommendations and management action plans	Action owner/timetable
<p>Recommendation: A review of the eligibility verification should be performed and documented. We also recommend that the requirements in the Music Department Student handbook be revised to clarify the progression standard.</p> <p>Management response:</p> <ul style="list-style-type: none">▶ Response: A review process will be implemented immediately. The progression standard in the Music Department Student handbook will be reviewed and modified as necessary.	<p>Responsibility: Dr. Valencia Matthews, Dean, College of Social Sciences, Arts and Humanities</p> <p>Due Date: 12/31/2013</p>

Status of investigations

During the period from January 2013 through September 10, 2013, the Division received 39 allegations/complaints. Of these, 19 have been closed, 10 are in process, 9 have been referred to another department for review, and 1 is pending investigation.

In-process & upcoming projects

Project	Expected timing of fieldwork	Comments
Grade change audit	In-process with expected completion date of October 2013	▶ Engagement review
Review of band compliance	October 2013	▶ Each game to be reviewed
Audit of ASAP	October 2013	▶ Scoping discussions held with management and background information gathered
Audit of Academic Center for Excellence program (Athletics)	October 2013	▶ Preliminary planning and gathering of background information

Other projects

DAC staff participated in a workshop with DAFS personnel relating to design and implementing internal controls.

DAC had the quality assurance review performed by the firm of Ernst & Young. DAC received an overall opinion that we generally conform with IIA Standards (this is the highest overall rating that can be given). We received a rating of partially conforms with two standards. The report included recommendations to 1) enhance documentation of work papers, and 2) build technology-based tools and data analytics into the audit process. We have begun implementing both of these recommendations.

Review the charter for the DAC.