OIGC NEWS

Office of Inspector General and Director of Compliance *NEWS*

July 1st marks the start of a new fiscal year. We will be providing you an annual report of our activities for the prior fiscal year in the near future. Included in this newsletter are the following topics:

- OIGC Quality Assurance and Improvement Plan;
- PBF Model – University Data Integrity;
- Recap: Six-Month Follow-Up To The Auditor General Board Office Operational Audit;
- Congratulations: New ACUA Board Member-At-Large Brian Mikell, UF CAE;
- Congratulations On Accreditation: FSU Office Of Inspector General Services;
- State University Audit Council Meeting;
- State University System Of Florida Compliance And Ethics Consortium Meeting; and
- OIGC Annual Work Plan Update.

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Inspector General and Director of Compliance

OIGC QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The Office of Inspector General and Director of Compliance is statutorily required to follow the International Standards for the Professional Practice of Internal Auditing as published by the Institute of Internal Auditors, Inc. Standard 1300 requires that the chief audit executive develop and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of the internal audit activity. The OIGC performs periodic self-assessments to meet this requirement. On May 5, 2017, we prepared a memorandum to summarize the OIGC internal QAIP self-assessment.

The assessment utilized Institute of Internal Auditors' assessment tools and the results were documented in a "Standards Conformance Evaluation Summary."

To address an item noted in a prior assessment, the OIGC developed this newsletter as a means of enhanced reporting and communication to management regarding OIGC activities. This quarterly OIGC Newsletter is distributed to Board of Governors members, the Chancellor, the State University Audit Council, and the State University System Compliance and Ethics Consortium. Routine newsletter content includes descriptions of OIGC activities and projects, staffing levels, training events attended and provided, and an OIGC work plan update. Each newsletter is posted to the OIGC webpage at:

http://www.flbog.edu/board/office/ig/reports.php

In addition to our internal assessment, the external assessment was conducted by the Auditor General's (AG) office. AG Report No. 2016-063, released December 17, 2015, contained no findings.

Based upon the internal assessment and the "clean" external quality assessment review by the Auditor General's office, we concluded that the OIGC Quality Assurance and Improvement Program is adequately designed and implemented (complied with) to provide reasonable assurance of conformance with applicable professional auditing standards.

Although not material to overall conformance to professional standards, some improvement opportunities were identified during the OIGC self-assessment. These improvements included better aligning our charters and policies and procedures manual to each other, as well as to professional standards and regulations. The OIGC has been challenged to complete the projects on our annual work plan due to competing deadlines and unplanned, non-audit projects. To meet its mission, the internal audit activity could benefit from an additional staff member who could address audits of university non-profit support organizations and other backlogged work efforts.

PBF MODEL – UNIVERSITY DATA INTEGRITY

On June 30, 2017, Board of Governors Chair, Tom Kuntz, asked that each Board of Trustees Chair and University President again execute a Performance Based Funding Data Integrity Certification. Chair Kuntz also asked that each board of trustees direct their Chief Audit Executive to perform an independent audit of Performance Based Funding data integrity. The audit is to be performed in accordance with the current *International Standards for the Professional Practice of Internal Auditing* as published by the Institute of Internal Auditors, Inc.

The Performance Based Funding Data Integrity Certification and final audit report, including any necessary corrective action plans, shall be submitted to the Board of Governors Office of Inspector General and Director of Compliance no later than March 1, 2018. The results will be summarized and presented to the Board of Governors at its March 2018 meeting.

RECAP: SIX-MONTH FOLLOW-UP TO THE AUDITOR GENERAL BOARD OFFICE OPERATIONAL AUDIT

On May 17, 2017, the OIGC provided a six-month follow-up report to the Joint Legislative Auditing Committee, Chancellor Criser, Chair Kuntz, and the Auditor General. By way of providing background:

- Section 11.45(2)(f), Florida Statutes, requires the Auditor General to conduct an Operational Audit of each state agency at least every three years.
- On November 17, 2016, the Auditor General issued the most recent Board Office Operational Audit report (Report No. 2017-048).
- This audit report contained no adverse audit findings related to Board Office operations.
- The audit report contained one audit finding which stated that the – "Board of Governors needs to enhance regulations to help state universities establish uniform standards that conform to statutory requirements." The five areas identified for regulatory enhancement were:
  1. Remuneration of university presidents and administrative employees;
  2. Sponsored research;
  3. Anti-hazing policies;
  4. Student Code of Conduct; and
  5. Purchasing Practices.
- Section 20.055(6)(h), Florida Statutes, makes the inspector general responsible for monitoring the implementation of corrective actions and to, no later than six months after publication of the AG audit report, provide a status report to the Chancellor and Board Chair coping the Joint Legislative Auditing Committee.

The following is a brief status of corrective actions taken to date by Board Office staff and this Board:

1. With regard to remuneration of university presidents and administrative employees, Board of Governors staff will be

seeking an amendment to section 1012.976, Florida Statutes, to define "university teaching faculty" consistent with Board of Governors regulation. Under Board of Governors Regulation 9.006(2)(d), university teaching faculty includes university provosts, deans, professors, lecturers, librarians, distinguished professors, eminent scholars, curators, scholars, scientists, engineers, and clinicians.

2. With regard to sponsored research, the Chancellor established a working group that drafted a sponsored research regulation. The full Board of Governors approved Regulation 10.002 at the June 2017 Board meeting. In addition to the Regulation, the workgroup produced an accompanying Sponsored Research Certification Form.

3. With regard to anti-hazing, the Council for Student Affairs held a hazing prevention summit at the University of Central Florida on May 19, 2017. All members of the Council signed a one-year extension of the System contract with AliveTek for the continued use of *Hazing Prevention: It's Everyone's Responsibility™*. The new contract went into effect July 1, 2017. The Council for Student Affairs will also report on the utilization and effectiveness of AliveTek software. In addition, Board staff plan to initiate a review of university anti-hazing policies and is developing a Board of Governors regulation based upon section 1006.63, Florida Statutes.

4. Regarding Student Codes of Conduct, Board Office staff plan to initiate a review of university student codes of conduct and revise as appropriate, our regulations on this topic.

5. Regarding purchasing practices, in November 2016, the Board of Governors adopted an amendment to Regulation 18.001, Procurement Regulation. Universities have worked to incorporate these revisions into their respective regulations. Board Office staff will continue to monitor university implementation of the amended regulation and will monitor any changes adopted by the Legislature as well as any evolving best practices.

CONGRATULATIONS: NEW ACUA BOARD MEMBER-AT-LARGE BRIAN MIKELL, UF CAE

This week the Association of College and University Auditors (ACUA) Nominating Committee announced the 2017-18 Board of Directors election results. Our own Brian Mikell, UF Chief Audit Executive, has

been elected to the position of Board Member-at-Large. He will assume his new role in September. He joins Julia Hann, UNF Chief Audit Executive, who also serves ACUA as a Board Member-at-Large.

CAE Mikell indicated that he is looking forward to working with Julia and the rest of the ACUA Board to serve all our System Chief Audit Executives. Congratulations Brian and well deserved!

CONGRATULATIONS ON ACCREDITATION: FSU OFFICE OF INSPECTOR GENERAL SERVICES – FIRST FOR THE SUS!

L-Right: Kitty Aggelis, Sam McCall, and Janice Foley

Accreditation programs have long been recognized as a means of maintaining the highest standards of professionalism. Schools, universities, and hospitals are some of the most prominent organizations required to maintain accredited status.

In October 2007, the Commission for Florida Law Enforcement Accreditation, Inc. (CFA), approved the development of an Inspectors General Accreditation Program for Inspectors General investigative functions. The intent of developing this accreditation program was to raise the bar and have a commonly accepted standard for the conduct of investigations.

The first edition of the *Florida Inspectors General Standards Manual* was approved by the CFA in February 2009. *Florida Inspectors General Standards Manual* (Edition 2.03, February 2017) contains 46 standards

organized into the following areas:

- Organization And Governing Principles;
- Personnel Practices;
- Training;
- Investigation Process;
- Case Supporting Materials And Evidence;
- Whistle-blower's Act;
- Notification Process;
- Case Management; and
- Final Reporting Processes.

Today there are 32 accredited Offices of Inspectors General including FSU's Office of Inspector General Services. On June 21, 2017, FSU's Office of Inspector General Services became the first State University System investigative function to receive CFA accreditation.

FSU received this recognition as a result of Senior Investigator/Auditor Debra Arrant's leadership and the support of her management team pictured at the beginning of this article.

The CFA has also accredited the following SUS university police departments under their independent voluntary law enforcement agency accreditation program.

FAMU FGCU FSU UCF

UF UNF USF

STATE UNIVERSITY AUDIT COUNCIL MEETING

The State University Audit Council (SUAC) met on May 18-19, 2017, on the campus of Florida Atlantic University. The Council was joined by Audit and Compliance Committee Chair Wendy Link. Topics of discussion included:

- Chief Audit Executive Updates;
- Legislative Update;
- Standards for Complaint Handling and Investigations for the State University System of Florida;
- Enterprise Risk Management;
- Performance Based Funding Data Integrity Audits; and
- Financial Aid Audits.

L-Right: FAU (Morley Barnett), FIU (Allen Vann), UWF (Betsy Bowers), USF (Virginia Kalil), FSU (Sam McCall), UCF (Robert Taft), BOG (Joe Maleszewski), FGCU (Bill Foster) and Board of Governors Audit and Compliance Committee Chair (Wendy Link)

STATE UNIVERSITY SYSTEM OF FLORIDA COMPLIANCE AND ETHICS CONSORTIUM MEETING

The State University System of Florida Compliance and Ethics Consortium met by teleconference on June 22, 2017. Chair Rhonda Bishop (UCF Chief Compliance Officer) shared information on the UCF Gifts and Honoraria Policy. The Consortium then discussed ongoing efforts to develop compliance program peer review standards and agreed to share university policies and procedures on summer camps and programs. Finally, plans were made for future meetings including an upcoming in-person meeting.

OIGC ANNUAL WORK PLAN UPDATE

The following table provides an overview of the approved FY 2017-2018 OIGC Work Plan with a brief statement of each project's status. We will provide status updates in each quarterly newsletter.

We have deleted the first Audit project, *Legislative Program Appropriations,* as the governor vetoed SB 374 on June 14, 2017. This bill included the two programs that resulted in this item being included in our work plan:

- World Class Faculty and Scholar Program - $70.5 million
- State University Professional and Graduate Degree Excellence Program - $50 million

Annual Work Plan - FY 2017-2018	
Project Title	**Status**
AUDIT ACTIVITIES - ASSURANCE AND CONSULTING	
Legislative Program Appropriations	Deleted
Information Resource Management, Information Technology Governance*	Not Begun
State University System of Florida Board of Governors Foundation	Not Begun
Performance Based Funding Model, University Data Integrity Coordination	Initiated
INVESTIGATIVE ACTIVITIES	
Complaint Intake and Triage	Ongoing
Preliminary Inquiries	Ongoing
Investigations	None
Investigative Monitoring	Ongoing
COMPLIANCE ACTIVITIES	
Board Office Compliance Program Plan Development	Initiated
Board of Governors Regulations, Compliance	Initiated
Implementation of Regulations 4.001 through 4.004	Initiated
OIGC OPERATIONAL ACTIVITIES	
Risk Assessment and Audit Plan, 2018-2019	Not Begun
OIGC Annual Report, 2016-2017	Initiated
Data Request System for Collection of SUS External Audit Reports	Not Begun
Update OIGC Complaints Index (Access Database)	Initiated
Committee and Board Meeting Preparations	Ongoing
FOLLOW-UP ACTIVITIES	
Board Office Operational Audit	Ongoing
FAMU Athletics Cash Deficit	Ongoing
Board Office Performance-based Funding Process and Controls	Ongoing
Board Office Telecommuting	Ongoing
Rule 74-1 Compliance Assessment, IT Project Management	Ongoing
FGCU Investigation, Case No. 2017-025	Ongoing

* As of June 12, the Information Resource Management Office's name and functions have changed. The office is now titled Information Technology and Security Office.

Past copies of our newsletters may be accessed at:
http://flbog.edu/about/cod/igoffice.php