



# UCF Board of Trustees

*Audit and Compliance Committee*

December 5, 2024

## **Agenda Item**

DISC-1: University Audit Update

## **Proposed Action**

This information is being presented for discussion purposes only. The attachment is intended to provide the committee with information regarding the work of University Audit to assist the committee in successfully completing its oversight duties.

## **Authority for Board of Trustees Action**

N/A

### **Supporting Documentation Included**

N/A

### **Facilitators/Presenters**

Robert Taft, Chief Audit Executive

## **Summary of Key Observations/Recommendations**

### Recently Completed Audit Activities

- 1) Foreign Influence – (Required Audit)
- 2) Decentralized IT Strategy – (Strategic Audit—performed by EisnerAmper)
- 3) Management Advisory Services—Three projects focused on reviewing
  - UCFAA Construction and Procurement Processes,
  - UCFAA Equipment Inventory Processes and
  - Carryforward Fund Management Process

### Current Audit Activities

Ongoing projects include:

- Performance-Based Funding (Required Audit)—Draft Report status
- Student Health Services (Planning status—Strategic Audit from a Student Success perspective)
- Technology Transfer (Planning status—Strategic Audit from a Research perspective)
- UCF Convocation Corporation (Planning status—Strategic Audit from a Revenue and Community perspective)
- Workday Business Processes (Advisory project—being performed from an Operational Excellence perspective)

## **Additional Background**

### Staffing Update

The final Auditor II vacancy is still being pursued but we are not certain at this time if the search will be successful. This is our final open position as the department is currently structured.

We are in the process of adding a second student intern for the spring semester. This intern will focus on investigations and allow our current intern to continue to assist us with data analytics, particularly Workday processes.

### Florida Auditor General Activity

The department has had extensive interaction with the Florida Auditor General during this reporting period.

Specifically:

- A. The department has worked closely with UCF management on the two issues noted in the recently issued **Operational Audit draft report**. We worked with management to coordinate and develop responses to the two recommendations in the report

*Finding No. 1: University personnel received an e-mail requesting a change to the payment information of a vendor and did not verify the change before electronically paying \$107,625 to an incorrect bank account.*

Recommendation: The university should continue efforts to ensure that, before changes to vendor information are made, the change requests are properly documented, independently verified, appropriately authorized, and reviewed.

Our office has completed an investigation to assist management in identifying internal control weaknesses and provide recommendations. The committee was provided with the report when it was issued earlier this year.

*Finding No. 2: University procedures for periodically purging prospective students' sensitive information continued to need enhancement.*

Recommendation: To ensure sensitive personal information, including social security numbers, of prospective students who apply but do not enroll in the university is properly safeguarded, the university should continue efforts to promptly purge information over five years old.

Formal responses to the draft report were provided to the Auditor General in November.

- B. The Florida Auditor General also has issued three draft recommendations related to their **Workday Enterprise Cloud Applications information technology operational audit**.

The recommendations relate to strengthening controls over changes to business processes and security groups, improving security awareness training and improving controls related to account management and configuration management. We are working with UCF management to assist them in providing responses to these recommendations.

### Fiscal Year 2023-2024 Annual Report and Department Overview

We wanted to highlight some of our activities and achievements over the prior fiscal year (July 1, 2023, to June 30, 2024) along with what we have identified as opportunities for improvement and areas of focus.

## **What we did**

- 1) Completion of 12 audit and advisory services projects
- 2) Completion of 14 investigations and whistleblower determinations
- 3) Analysis of 95 complaints for potential investigation or referral
- 4) Closing 55 open audit recommendations

## **What went well**

- 1) Successful completion of the required Institute of Internal Auditors' Quality Assurance Review.
- 2) Initial implementation of AuditBoard OpsAudit audit management software.
- 3) Playing a leadership role in the internal audit profession
- 4) Improving our knowledge of Workday across the team
- 5) Positive customer feedback

## **What can we do better?**

- 1) Close projects faster
- 2) Work with UCF management to get open issues closed faster
- 3) Benchmark with other universities using EisnerAmper as our IT Audit cosource partners on how they work with management to keep the project pipeline full and minimize the time between audits.
- 4) Continue to enhance Workday reporting and data analytics skills

## **Implementation Plan**

We will continue to follow the Audit Plan through the remainder of the year and inform the committee of any significant changes.

## **Resource Considerations**

Audits and other projects will be performed based on the anticipated level of internal and co-sourced resources.