



University Audit Update

September 27, 2024

Agenda

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- Potential IT Audits
 - Upcoming Strategic and Operational Audits
 - General Observations

A. Potential IT Audits

Topic	What's Going On?	Potential activities
1. Cybersecurity and Data Privacy	<ul style="list-style-type: none"> Universities are prime targets for cyberattacks due to the vast amount of sensitive data they hold, including personal information, research data, and intellectual property. Breaches can lead to significant financial losses, reputational damage, and legal repercussions. 	<ul style="list-style-type: none"> Plan to perform an audit with EisnerAmper. Three potential areas of focus: 1) a review of the recently implemented Accenture Security Operations Center, 2) a review of Cybersecurity Maturity Model Certification for Department of Defense work, or 3) a review of other controls over non-"Controlled Unclassified Information."
2. Workday Business Processes	<ul style="list-style-type: none"> Increase certainty that Workday business processes have been optimized as part of post implementation efforts. Adequacy of approval documentation and process configuration consistency. Need for analysis and benchmarking. 	<ul style="list-style-type: none"> Performed using internal resources. Select a set of higher risk Workday processes and review business rules, access and segregation of duties. Some similarities to Sarbanes-Oxley IT general controls evaluation work.

A. Potential IT Audits

Topic	What's Going On?	Potential activities
3. Health Insurance Portability and Accountability Act (HIPAA)	<ul style="list-style-type: none">• Review open issues from prior audit work.• Increased emphasis on Protected Health Information (PHI) breaches by regulatory bodies.• Determine if new services that handle PHI have been created especially if new technologies or third-party vendors are involved.	<ul style="list-style-type: none">• Audit would be performed by EisnerAmper.
4. Assist with implementation and review of Florida Auditor General recommendations	<ul style="list-style-type: none">• UCF will be receiving multiple IT related recommendations from the Auditor General.• Reduce the risk of repeat findings and the need for Joint Legislative Auditing Committee (JLAC) “three strikes” reporting.• Determine if these issues need to be evaluated on a broader basis.	<ul style="list-style-type: none">• EisnerAmper would perform this analysis. Issue resolution status would be tracked internally.

A. Potential IT Audits

Topic	What's Going On?	Potential activities
5. Artificial Intelligence Governance	<ul style="list-style-type: none">• Impact on academic integrity.• Establishing strategy, identifying framework, creating infrastructure.• Use of public versus private models and sharing of information.• Peer benchmarking.	<ul style="list-style-type: none">• EisnerAmper would perform this work.

B. Upcoming Strategic and Operational Audits

Topic	What's Going On?	Potential activities
1. Performance Based Funding	<ul style="list-style-type: none"> • Required audit. • Continue to work with management on HERD reporting. • Road to preeminence. 	<ul style="list-style-type: none"> • Audit is in-progress.
2. Student Health Services	<ul style="list-style-type: none"> • Maintaining accreditation status. • Patient care quality and safety. • Student health fee and resource utilization. • Operational efficiency. 	<ul style="list-style-type: none"> • Would use standard audit approach.

B. Upcoming Strategic and Operational Audits

Topic	What's Going On?	Potential activities
3. Financial Aid	<ul style="list-style-type: none"> • Compliance with Federal Regulations. • Accurate Student Eligibility Determination. • Timely Disbursement of Funds. • Accurate Calculation of Financial Aid Packages. • Effective Communication with Students 	<ul style="list-style-type: none"> • Would use standard audit approach.
4. Technology Transfer and Intellectual Property	<ul style="list-style-type: none"> • Evaluation of inventions, development of commercialization strategies, and ongoing management of licensing agreements. • Potential risks related to IP theft, mismanagement, or legal disputes. • Assurance that the OTT's activities are aligned with the university's strategic goals. • Review the accuracy and fairness of royalty calculations and distributions, ensuring that all stakeholders receive their appropriate share. 	<ul style="list-style-type: none"> • Would use standard audit approach.

B. Upcoming Strategic and Operational Audits

Topic	What's Going On?	Potential activities
5. UCF Convocation Corporation	<ul style="list-style-type: none"> • Operational efficiencies. • Debt management. • Third-party management. • Financial management and reporting. • Safety and insurance coverages. 	<ul style="list-style-type: none"> • Would use standard audit approach.
6. UCF Global	<ul style="list-style-type: none"> • Program objectives and key performance indicators. • Regulatory compliance. • Student success. • Financial stability. 	<ul style="list-style-type: none"> • Would use standard audit approach.

C. General Observations

Topic	What's Going On?	Potential activities
1. “Orphan” processes	<ul style="list-style-type: none"> • <u>The Friction Project</u>– “Bad processes often lurk in a power vacuum; frontline employees don’t have the authority to make changes, while senior leader overlook these issues or assume they’re someone else’s problem.” 	<ul style="list-style-type: none"> • Identify and track these situations and build coalitions.
2. Data sharing	<ul style="list-style-type: none"> • Potential mismatches between data gatekeepers and their rules for providing data versus the data needed by employees to be able to perform their jobs efficiently and effectively. • Balance of employee productivity with data security and controls. 	<ul style="list-style-type: none"> • Use of business rules and decision trees. • Data governance rules and culture. • Audit trail exception reports. • Streamlined request review process.

C. General Observations

Topic	What's Going On?	Potential activities
3. Key software decisions and implementations	<ul style="list-style-type: none"> • Asset management software • Workday strategic sourcing • Team Dynamix • DocuSign • Adaptive Planning • SailPoint 	<ul style="list-style-type: none"> • Partner with management throughout the selection, implementation and post-implementation phases of the projects.
4. Onboarding	<ul style="list-style-type: none"> • Challenges with getting system access. • Getting new employees up to speed given complexity and breath of UCF activities. 	<ul style="list-style-type: none"> • Onboard shadowing and surveys.
5. Centralization versus Decentralization	<ul style="list-style-type: none"> • The Friction Project—“decentralized businesses each had enough power to add stuff, but not enough to stop others from doing so, too. Each business had incentives for adding yet another campaign or product, but each addition hurt IBM and Apple by confusing customers and wasting money.” • Process inconsistency between units and colleges—when does it make sense? 	<ul style="list-style-type: none"> • Identify collaboration opportunities (Travel and Procurement). • The power of subtraction. • Getting close to the customer and empowering employees through coordination of efforts, better communication and integration of actions.