

OPERATIONAL AUDIT - April 2019
SUMMARY OF OBSERVATIONS AND RECOMMENDATION

5/5/2020

Num.	Category	Description	Management Response	Status
1	Observation	Conflict of Interest Statement	Staff had Foundation Board members to complete and submit their conflict of interest statements during the May 2019 Foundation Board meeting, and on an annual basis during every Spring Board meeting. Additionally Board Members are asked to disclose any conflict of interest during every committee and full board meeting.	Completed
	Recommendation	Board Members complete and submit annual conflict-of-interest statements in a timely manner.		
2	Observation	Streamline Process and Procedures	Staff have streamlined cash disbursement process to create efficiencies as well as assist with segregation of duties and reduce the times staff touching of paperwork thereby allowing more time to focus on additional functions.	Completed
	Recommendation	Foundation reviews the cash disbursement process to streamline process to create efficiencies.		
3	Observation	Restructure current responsibilities and shift roles	Management has completed its review of the roles and responsibilities of each position in the Foundation as well as its restructure. There were several title changes and redistribution of duties and responsibilities based on the restructure. The changes were made to enhance the internal control and maintain proper segregation of duties.	Completed
	Recommendation	Conduct a review of the Foundation roles and responsibilities of each position, to look for ways to leverage current personnel and shift responsibilities effectively. Maintain strong internal controls and proper segregation of duties.		
4	Observation	Cash and Checks Received in the Mail	Efforts are made to have two staff members present when opening mail but due to the small staff in the Office of University Advancement and the urgency of preparing check logs (gifts and non-gifts) to respond to donors and project administrators, two staff are not always available. But all check logs are signed by two Foundation staff members.	Completed
	Recommendation	Have two people should open the mail and record all cash and checks on the gift and non-gift logs. Both individuals should sign off on the logs.		
5	Observation	Pledge Write-Off Process	Recommendation has been implemented as stated.	Completed
	Recommendation	Appropriate staff examine the listing of outstanding pledges quarterly in accordance with the Foundation policies. It should be determined which pledges are uncollectible either due to being cancelled by the donor or delinquent for the period of 18-months or greater. The VP should approve the write-off of the uncollectible pledges. The appropriate entry should be made in the donor database and the general ledger.		

Num.	Category	Description	Management Response	Status
6	Observation	Gift-in-Kind	A policy/procedure for the recording of gifts-in-kind has been developed. As gifts-in-kind are received, transactions will be recorded in the general ledger as recommended.	Completed
	Recommendation	Foundation forms a policy and procedure which states how gift-in-kinds should be recorded into the donor database and general ledger. This process may require a gift-in-kind to be recorded in the Foundation's general ledger as a revenue and expense, as well as a transfer to the University.		
7	Observation	Data Loss Prevention Policy	The Foundation data is covered by the University IT department policy.	Completed
	Recommendation	Foundation develop a policy that addresses data protection from unauthorized disclosure. This includes developing a means to send information securely. Develop practices to prevent data leakage be implemented on email. Specifically, an automated detection and blocking mechanism should prevent outbound emails with social security numbers, account numbers, and other sensitive information.		
8	Observation	Data Backup Security	Access to the FAMU Foundation Building, the Office Suite for the Office of University Advancement/Foundation require security linked key fob; the office door to the backup data server room is locked. All of these access entries are the under watch by security cameras. The backup server is password protected within the locked server room.	Completed
	Recommendation	Backups be encrypted and stored at a secure location to prevent the data from being accessed by unauthorized individuals.		
9	Observation	Confidentiality or Non-Disclosure Agreements	All contractors, temporary employees, and external parties are required to sign a Confidentiality Agreement Form prior to starting assignments.	Completed
	Recommendation	Contractors and temporary employees are instructed on information security policies and are required to sign an acknowledgement of these policies. In addition, a confidentiality or non-disclosure agreement should be signed, to ensure the Foundation's needs for protection of classified information is met.		
10	Observation	Electronic Storage Media Data Protection	Per the Information Technology Security Policy implemented in April 2020, all staff may use the Advancement SharePoint portal to store, share, upload, or download files internally in lieu of USB/Flash Drives or email data transfer.	Completed
	Recommendation	Foundation develops a policy regarding the treatment of and the related used with storage devices and how data is transferred. Also an endpoint control be implemented to prevent unauthorized use of USB and optional drives.		

Num.	Category	Description	Management Response	Status
11	Observation	Blackbaud System Utilization	The Foundation has upgraded its Blackbaud modules to Financial Edge NXT and Raiser's Edge NXT thereby allowing more automation.	Completed
	Recommendation	Foundation utilize the Blackbaud system integration capabilities to aid in efficiencies.		
12	Observation	User Access Review	Each supervisor is responsible for reviewing their staff's user access during their annual evaluation. User access will be reviewed for changes as the staff's job duties changes,	Completed
	Recommendation	A review be performed at least annually to validate that defined accounts remain necessary, access matches job responsibilities, there is appropriate segregation of duties and accounts are consistently defined.		
13	Observation	Raiser's Edge Integration	Staff has reviewed all non-Blackbaud software and determined there are a few that non-Blackbaud software that provide greater efficiencies and more specialized functions. Most spreadsheets used by staff are generated from data downloaded from Blackbaud.	Completed
	Recommendation	The Foundation reviews all non-Blackbaud software being utilized and assess the benefits and costs of implementing Financial Edge modules which could be utilized instead of those manual processes, ad hoc spreadsheets and non-Blackbaud software.		
14	Observation	Busines Impact Assessment (BIA)	Daily Blackbaud performs a backup of the Foundation's data as well as perform a daily Integrity Check of data. The recent requirement for staff to work remotely has been a true test of the Foundation's ability productivity work during a disaster.	Completed
	Recommendation	The Foundation complete a business impact assessment test. Business continuity planning test should be performed for key vendor supported applications, and alternate locations/facilities where work can commence during disaster situation. A BIA should be documented and updated at least annually.		
15	Observation	Cyper Liability Insurance	The Foundation is covered by the University's Cyper Liability Insurance policy.	Completed
	Recommendation	The Foundation consider the need for cyper liability insurance to ensure their protection is the event of a significant losses.		